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The COMMERCIAL & FINANCIAL CHRONICLE

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OUR REPORTER'S REPORT

Report that Ganson Purcell, Chairman of the Securities and Exchange Commission, has decided to make his headquarters in Washington again, stirred no end of interest in investment quarters.

There have been growing indications for some time that all was not serene, or least not so much so, as when the Commission was domiciled in the Capital, and it is assumed that Mr. Purcell's decision arises from his conviction that he can keep closer to things if he is on the shores of the Potomac.

Even though this will mean commuting to the Commission's headquarters, the traveling involved is not likely to be any more than if the head of the Commission remained in Philadelphia, judging by current gossip.

Mr. Purcell, it is understood, has been a rather frequent commuter the other way in recent weeks, particularly since he issued his last blast on the need for "full disclosure."

His remarks at that time, it was recalled, coincided with Secretary Morgenthau's complimentary remarks to the country's investment bankers for the job they were doing in distributing Treasury War Bonds without any compensation.

Meanwhile, however, there has been mounting evidence of growing antagonism to some of the Securities and Exchange Commission's pet projects, such as its proposed revision of Proxy Rules, in the halls of Congress.

Very likely, it is assumed, Chairman Purcell figures he can do a better job of "fence-mending" in that direction if he is closer to the scene than Philadelphia.

(Continued on page 1263)

W. L. Hemingway Elected President of ABA At Executive Council Meeting In New York

The traditional succession of officers of the American Bankers Association was continued at the meeting in New York on Sept. 30 of the ABA Executive Council at the Waldorf-Astoria, with the elevation of W. L. Hemingway of St. Louis from the First Vice-Presidency to the Presidency of the Association, the advancement of A. L. M. Wiggins of Hartsville, S. C., to First Vice-President, and the similar advancement of the Vice-Presidents of the Association's five divisions. Mr. Hemingway, who is President of the Mercantile-Commerce Bank and Trust Company in St. Louis, Mo., was elected Second Vice-President of the ABA in September, 1940, and First Vice-President in September, 1941. Mr. Wiggins, who is President of the Bank of Hartsville, was elected Second Vice-President of the Association a year ago. In addition, the Council re-elected William F. Augustine, Vice-President of the National Shawmut Bank, Boston, Mass., for a second term of Treasurer of the ABA.

W. L. Hemingway

A. L. M. Wiggins

Wm. F. Augustine

The Executive Council of the American Bankers Association, which was in session at the Waldorf-Astoria on Sept. 29 and 30, is the governing body of the Association, whose membership of 117 bankers is elected by the member institutions of the 48 states and the District of Columbia. The five Divisions of the Association are the National Bank Division, the State Bank Division, the Savings Division and the Trust Division, and the State Secretaries Section, each of which has its own slate of elective officers consisting of a President and Vice-President.

As President of the ABA Mr. Hemingway succeeds Henry W. Koeneke, President of the Security Bank of Ponca City, Okla., who served the Association as President during the past year.

In making known the election of the new officials, the ABA announcement read:

"The succession of the new officers was made possible by the action of the retiring officers themselves. Except for the office of Treasurer, the constitution of the Association makes no provision for elections except at conventions, but it does provide for the succession in the event that the Presidency becomes vacant. Cancellation of the ABA convention at the request of the Office of Defense Transportation had the effect of freezing the present administration in office. Recognizing this, Mr. Koeneke and the five Division Presidents tendered their resignations to the Associa-

(Continued on page 1260)

Senate Begins Debate On Record Tax Bill; Tentatively Approves Individual Rate Rises

Formal debate on the new tax bill, designed to raise between $7,000,000,000 and $8,000,000,000 in additional revenue, began on the Senate floor on Oct. 6. The Senate Finance Committee's bill which was finally approved on Oct. 2, was presented to the Senate for consideration by Chairman George (Dem., Ga.). In opening debate on the largest tax bill in history Senator George attributed the length of time consumed in its preparation "to a sincere effort to prevent the drastic increases from causing severe inequities and unduly interfering with our economy."

"In framing our tax bill," he said in a prepared statement, "we had to exercise considerable care in not imposing such a severe rate on corporations as to disrupt the national economy of our country."

The Senate on Oct. 6 tentatively approved the Committee's increased individual income tax rates. These include raising the normal tax from 4% to 6% and the raising of the minimum surtax rate from 6% to 13% and also lowering the personal exemptions from $1,500 to $1,200 for married persons, from $750 to $500 for single persons and the credit for dependents from $400 to $300. Senator George estimated that the broadening of the individual income tax base by reducing the personal exemptions would add approximately 7,000,000 new taxpayers, with 600,000 more added by a reduction of the credit for dependents from $400 to $300.

It was pointed out in Associated Press accounts Oct. 6 that "the new schedule of exemptions means that single persons making more than $9.62 a week and married persons making $23.08 or more will be subject to the income tax.

"Members of the armed services who are below the grade of commissioned officers, however, would receive additional exemptions—$250 more than a civilian, if single, and $300 more if married. The House had voted to grant the additional military exemptions regardless of rank."

The Senate deferred consideration of the controversial 5% gross income levy—the so-called "Victory Tax"—which applies to all incomes over $624 and would be collected at the source through payroll deductions. Senator George said that the "Victory Tax," estimated to raise $3,600,000,000, was preferable to a general retail sales tax because of its more equitable features.

Another important section of the bill expected to cause lengthy debate is the amendment, sponsored by Senator Vandenberg (Rep., Mich.), freezing social security taxes at their present 1% rate. The Treasury is in favor of increasing these taxes on employers and employees to 2% for 1943, as is provided by existing law.

From advices from its Washington bureau Oct. 6, the New York "Journal of Commerce" said in part:

"The limit on taxes which corporations would be required to pay is set in the Senate bill at 80% of corporate net surtax income, prior to reduction of net surtax income by the payment of corporate excess profits.

"The 90% corporate excess profits tax rate is set in the Senate bill at the same rate as in the House bill, although the Senate bill provides that 10% of the

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Congressman Challenges Authority Of SEC To Apply Disclosure Rule To Municipal Bond Field

The authority of the Securities and Exchange Commission to apply its proposed bid and asked disclosure rule, X-15C1-10, to the municipal bond business was sharply challenged by Congressman Lyle H. Boren of Oklahoma in a letter written to SEC Chairman Ganson Purcell under date of Sept. 23. This was the second protest to reach the SEC from members of the House Interstate and Foreign Commerce Committee with reference to the Commission's attempt to impose its jurisdiction over the municipal field in obvious disregard of the specific prohibition against such action intended by Congress An earlier protest was made by Congressman George A. Paddock of Pennsylvania in his letter of Aug. 28 to James A. Treanor, Jr., Director of the Trading and Exchange Division of the SEC.

In his letter to Mr. Purcell, Congressman Boren stated that a review of the hearings on the measures which amended the Securi-

(Continued on page 1262)

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as the surviving partners of the firm of HIXON, STEWART & KING announce that at the close of business on September 30, 1942, the firm of HIXON, STEWART & KING ceased to do business.

We are pleased to announce that on October 1, 1942 Messrs. JOHN C. STEWART and THOMAS E. KING became partners in this firm.

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Five Added To Staff By H. D. Knox & Co.

H. D. Knox & Co., 11 Broadway, New York City, announce that the following have become associated with their firm: Roy R. Larson, Everett L. Wendler, Eugene R. Delin, James S. Durning, and Edward W. Schaefer. All were formerly connected with Hanson & Hanson.

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NY Finance Institute Marginal Rail Course

The New York Institute of Finance announces the offering of a seven-session course in "Marginal Rails," to begin Thursday, Oct. 15. The course will be held each Thursday thereafter for seven weeks, from 5 to 7:30 p.m., at the Institute, 20 Broad Street, New York.

At the initial meeting of the class, Herbert F. Weyth, railroad analyst of Shields & Co., will discuss the current position of and the outlook for the Southern Pacific and its securities. During the remaining six sessions Mr. Wyeth will review the New York Central, Southern Railway, Illinois Central, Pere Marquette, New York, Chicago & St. Louis, Northern Pacific, Great Northern, Baltimore & Ohio, and Reading Company.

The cost of the course is ten dollars ($10). Applications should be mailed, with the tuition fee, to the New York Institute of Finance.

Proposed Revision Of Capital Gains Tax Important Market Factor; Fundamental Changes Seen In The Rail Industry

Goodbody & Co., in their monthly "Market Letter," say that the "lows" in the composite war picture "were probably reached at the time of the fall of Dunkerque and again at the fall of Singapore. They contend that investors can be sure that long before the news becomes openly and visibly favorable to the United Nations the market will have begun to discount this improvement. We quote further from their letter:

"Domestic developments have been more favorable. The Senate action in mitigating the tax impact on corporations, particularly the provision exempting preferred dividends of utilities from surtaxes and in permitting consolidated returns for utility holding companies, is beneficial to many issues. The proposed provision that retention of securities held for only six months qualifies as a long term capital gain subject to only a 25% tax is most favorable. It reopens the capital markets to large investors as an important source of income. Additionally, there are indications that fourth quarter earnings statements will show frequent improvement over the second quarter reports reports recently released.

"In the immediate post-war period instead of originally expecting a level of 80-90 on the Federal Reserve Board Index of physical production there are now some reasons to hope that levels of 115 to 125 may possibly be witnessed for a period. A major beneficiary would, of course, be the rail industry. In many quarters it has been fashionable to assert that the rails are faced with insurmountable post-war problems and that rail securities as a whole should therefore be avoided."

In the "Market Letter" the economic fundamentals of the industry are analyzed with a discussion of post-war competition from trucks, pipelines and inland waterways, shipping and airplanes, and the speculative outlook for rail securities in the future. Included in the "Market Letter" are interesting yield tables on various carriers. Copies of the "Market Letter" may be had upon request by writing to Goodbody & Co., 115 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges.

Forecast Earnings Of 40 Wall Street Building

The earnings outlook for the 40 Wall Street Building, Incorporated is particularly attractive at the present time according to an analysis issued by Seligman, Lubetkin & Co., Inc., 41 Broad Street, New York City, according to estimates made by the firm to show possible amounts available for distribution as interest and for use as a sinking fund for the year to end June 30, 1943. "In making this estimate," Seligman, Lubetkin's analysis states, "we have used as a base the results as shown for the six months period ended June 30, 1942 adding thereto income to be received from new leases signed since May 1, 1942 but giving no effect to any income which may be received from vacant rentable area (approximately 20% of total) having an approximate asking value of $300,000. We have also eliminated certain nonrecurring items of expense such as cost of tenant changes, part of leasing commissions and have given effect to reduction in real estate tax expense on the basis of the reduced assessment already granted, but appealed, but not considering any possible net cash refund for prior years taxes which may be received in the period. As the forecast is only for the ensuing year, the increased income which will be receivable from the Westinghouse lease in 1944 over and above what is now being received from the sublet space in 150 Broadway, has not been considered.

Estimated gross income		$2,100,000
Deductions (estimated):		
Salaries, wages, etc.	$320,000	
Real estate taxes	550,000	
Ground rent	705,000	
Light, heat, power and water	155,000	
Building maintenance—supplies & expenses	50,000	
Commissions on leases	5,000	
All other expenses	85,000	1,870,000
Estimated Net—Available for distribution		*$230,000
80% for interest	$184,000	
20% for sinking fund	46,000	230,000
*Ratio to outstanding debentures (approx.)	2%	

In addition to this forecast, the analysis contains much other valuable information pertaining to the property. Copies may be had from Seligman, Lubetkin & Co. upon request.

So. American Dollar Bonds

A most attractive reference booklet on South American Dollar Bonds has just been compiled by New York Hanseatic Corporation, 120 Broadway, New York City. The booklet arranges the outstanding dollar bonds of the various South American countries, listing first government and government guaranteed obligations, followed by states, provinces or departments, municipalities and other issues in alphabetical order. Also contained in the study are tables of approximate current yield and "high and low" for 1942 showing prices up to the present.

Copies of the booklet, which should prove of great interest, may be had upon request.

Wm. E. Strautmann Is Now With Clair Ball

(Special to The Financial Chronicle)

CINCINNATI, OHIO — William E. Strautmann has become associated with Clair S. Hall & Company, Union Trust Building. Mr. Strautmann for a number of years was Vice-President of Edward Brockhaus & Co., Cincinnati.

Wm. Simpson Joins W. D. Gradison & Co.

(Special to The Financial Chronicle)

CINCINNATI, OHIO — William S. Simpson has become associated with W. D. Gradison & Co., Dixie Terminal Building, members of the New York and Cincinnati Stock Exchanges. Mr. Simpson, a member of the Cincinnati Exchange, was for many years a partner in C. H. Reiter & Co.

J. H. Fisher Merged With Frank Cahn Co.

BALTIMORE, MD.—The investment business of J. Harmanus Fisher & Sons, which was established in 1874, has been consolidated with Frank B. Cahn & Co., Equitable Building, members of the New York and Baltimore Stock Exchanges, it is announced.

COMMERCIAL and FINANCIAL CHRONICLE
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Detroit Traders Ass'n Elect New Officers

DETROIT, MICH.—H. Russell Hastings was elected to the Presidency of the Securities Traders Association of Detroit and Michigan, Inc., it was announced by Ray P. Bernardi, Secretary. Mr. Hastings was formerly Vice-President of the Association.

H. Russell Hastings

Paul I. Moreland, Allman, Everham & Co. was chosen Vice-President. Don W. Miller, McDonald, Moore & Hayes, formerly Treasurer of the Traders Association, was elected Secretary, and Charles J. Boigegrain, Straus Securities Co., was named Treasurer for the coming year.

Traywick Officer Of Southern Investment

CHARLOTTE, N. C.—Howard C. Traywick has become Vice-President of Southern Investment Company, Inc., Johnston Building. Mr. Traywick was formerly local manager for Scott, Horner & Mason, Inc. and prior thereto was with McAllister, Smith & Pate, Inc.

DEALER BRIEFS

Baltimore, Md.

The only cheering statement I can make to my fellow brokers is to recite an old story of a Scottish sea captain. On one of his trips across the Atlantic during which a storm had been raging for several days, the Captain had been constantly annoyed by a panicky passenger who had been coming up to the pilot house and repeatedly asking in a pathetic voice, "Will it ever clear up again?" The veteran Captain looked him square in the face and replied, "All I can say is that it always has."

If we could put this idea across to the clients, we believe business would improve and investors would eventually reap a reward for taking a chance under present conditions.—*Howard R. Taylor, Acting President, Baltimore Stock Exchange and Proprietor of Howard R. Taylor & Co.*

Boston, Mass.

It would seem to us, with the exception of the now popular railroad securities, that our local mills and traction companies should do better. Increased demand for their products and services, plus high invested capital, are the speculative features which should attract attention.—*Ralph F. Carr, Ralph F. Carr & Co.*

Fort Wayne, Ind.

While the security business in and around Fort Wayne is far from normal we have had an excellent demand all year for local securities which we consider greatly under-priced and also low and medium-grade rail bonds. Although many of our clients have been investing liberally in Defense Bonds which absorbs the greater portion of funds received from called bonds and preferreds, we are enjoying our best year since 1937.

Our listed business has picked up considerably and we have noticed in the past three months that the investors here are becoming more security minded and are turning from the conservative to the more speculative type of securities—*Leonard J. Fertig, Leonard J. Fertig & Co.*

Grand Rapids, Mich.

The market in this section has been unusually quiet over the past few months; however, there seems to be a limited demand for the better grade of municipal offerings whenever they can be obtained. It is our belief that with the tax status of the municipals finally decided upon that the market will pick up. —*P. S. Morris, McDonald, Moore & Hayes*

Springfield, Mass.

At this writing the "break-through" of the stock market in volume on the upside has confirmed the belief of many that we are in the first stages of a "bull" cycle. A large reservoir of buying power exists and we think that courage to employ this marketwise is gradually developing.—*D. Loring Pope, Hayden, Stone & Co.*

Philadelphia, Pa.

We continue in the belief that medium-grade bonds, particularly rails, offer the best opportunity for maintenance of steady income and enhancement in price. In all likelihood high income tax rates will be maintained for some time to come so that an early termination of the war could not possibly permit payment of higher dividends on stocks, when for a time most companies would earn less.

Many reorganized rails will doubtless be able to withstand a substantial falling off in earnings without jeopardizing the payment of interest on the new junior securities which at today's price are yielding high returns. Since bond interest is paid before income tax, the investor measurably minimizes the risk of a reduction in income. —*George A. Bailey, George A. Bailey & Co.*

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State Mediators Withdraw From Efforts To Settle Strike Of J. S. Bache Co. Employees

Efforts to end a strike of employees of the Stock Exchange firm of J. S. Bache & Co. by mediation failed on Oct. 6 and it was indicated that the New York State Mediation Board has "withdrawn from the case." The New York "Times" of Oct. 7 stated that according to Jules S. Freund, Executive Secretary of the New York State Mediation Board, company representatives notified Max Meyer, mediator, that they would not consider at this time the union's demand for a 15% wage increase for the workers.

The "Times" also stated:

"The Board feels that at this time it can be of no further aid," Mr. Freund said, "and it looks now as if it might become a test of strength between the company and the union."

"Jules S. Bache, head of the Wall Street firm, declared yesterday that he was 'extremely gratified by the loyalty shown by the many employees who remained at their posts.' He added that an 'appreciable number' of the employees that quit work on last Friday had returned to their jobs and that despite the smaller staff the firm was carrying on business as usual."

The strike of some 150 employees was called on Oct. 2 by Local 20940 of the American Federation of Office Employees, an A. F. of L. affiliate.

With regard thereto the "Times" of Oct. 3 stated in part:

"The strike followed a National Labor Relations Board election on Dec. 29 last, when two-thirds of the back-office employees of the big commission house designated the American Federation of Office Employees Local 20940, American Federation of Labor, as their bargaining agency. At that time the union asked for a blanket increase in wages of 40%, according to Mr. Bache. Told that this was impossible in view of the state of the business, the union served notice that it intended to call a strike.

"The Bache organization uses teletype printers, which can be operated by stenographers. These, it was reported, worked through the day with little difficulty, and other firms helped out by relaying orders over their wires. By early afternoon traffic was moving so smoothly that the firm was able to resume sending quotations.

"Mr. Bache declared that the firm had been attempting, especially since the declaration of war on Dec. 7, last, to adjust wages to the rising costs of living. He said there had been upward adjustments of 10 and 15% at the end of last year and said the firm had been making other advances regularly all spring and summer in individual cases. He showed a list of wage increases which had been put on his desk for approval on Thursday."

From the New York "Herald Tribune" of Oct. 3 we quote in part as follows:

"In the memory of old-time brokers, including Jules S. Bache, 80-year-old head of the 50-year-old brokerage house, it was the first union strike in the history of Wall Street.

"Mr. Bache said last night that he considered the action of his employees, members of the American Federation of Office Employees, Local 20940 of the American Federation of Labor, a challenge from 'unionism' to all Wall Street houses. 'There's no room for unionism on Wall Street,' he said last night at his home, 814 Fifth Avenue, 'and this will be a fight for other firms as well as mine.'

"Employees of the firm walked out at 1:15 p.m. after Harold L. Bache, representing all the part-

(Continued on page 1261)

This advertisement appears as a matter of record only and is under no circumstances to be construed as an offering of these Debentures for sale, or an offer to buy, or a solicitation of an offer to buy, any of such Debentures. The offering is made only by the Prospectus but the Prospectus does not constitute an offer by any underwriter to sell any of such Debentures in any State to any person to whom it is unlawful for such underwriter to make such offer in such State.

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Edw. Wichman Joins M. H. Bishop & Co.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN. — Edward W. Wichman has become associated with M. H. Bishop & Co., Thorpe Building. Mr. Wichman was formerly sales manager for J. W. Goldsbury & Co. and prior thereto served in a similar capacity with McCahill & Co. In the past he was head of his own firm, E. W. Wichman & Co. in Minneapolis.

Form Bates & Lindley, N. Y. Exchange Firm

John G. Bates and Daniel Allen Lindley have formed Bates & Lindley, members of the New York Stock Exchange, with offices at 14 Wall Street, New York City. Mr. Bates will act as alternate on the floor of the Exchange for Mr. Lindley, the firm's Exchange member.

Mr. Bates was formerly a partner in Taylor, Bates & Co. for many years. In the past Mr. Lindley was a partner in Shields & Co.

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REAL ESTATE SECURITIES

BRIGHT FUTURE FOR NEW YORK APARTMENT HOTELS

The real estate mortgage bonds of New York City apartment hotels should greatly benefit by an anticipated increase of business. With the curtailment of fuel oil and the inability to use motor cars, because of the rationing of gasoline, it seems highly probable that a number of people living in suburban villages will close up their homes for the Winter months and come into town to live.

It is also possible that in view of the domestic help problem due to the increase in defense factory employment, some people will find it more convenient to give up their apartments and reside in hotels.

Another source of income is from the wives and mothers whose husbands and sons have entered the armed services. We know of several instances where such women have chosen to live in an apartment hotel instead of their former large apartments.

There are quite a few well known apartment hotels in New York City that have bond issues. Among them are the Alden, Beacon, Broadmoor, Dorset, Drake, Granada, Lombardy, Madison, Mayfair House, Park Central, Park Crescent, Ritz Tower, Savoy Plaza, Sherry Netherland and the Windemere.

Of the fifteen apartment hotels mentioned above, ten of the bond issues are traded with stock representing a share in the equity ownership of the property. Besides being an inflation hedge, this feature is very desirable in the event of any unusual amount of increased business. An example of this is the Mayflower Hotel in Washington, D. C. In reorganization, each bondholder received a $600 mortgage bond plus 100 shares of common stock of the hotel which were traded as a unit. The bonds are now 99 bid and the stock has a seperate bid of 3⅞.

Three of the remaining issues that do not carry a share of the equity have, however, other features that will benefit their bondholders in the event of a substantial improvement in revenue.

The Mayfair House (bonds are traded under name of 60 East 65th Street) has a fixed interest rate of 3%. An additional 2% is payable if earned. Also after fixed and additional interest totaling 5%, the bondholders participate in 25% of the net earnings of the property.

The Dorset Hotel bonds in addition to a fixed interest rate of 2% have a provision which provides that after the payment of such fixed interest, operating expenses and taxes, any remaining income is divided three ways; one third for additional interest, one third for bond retirement and one third for the owners.

The Alden hotel has a sinking fund requirement that 50% of the net income after the payment of fixed interest requirements (currently 3½%, increasing to 5%) must be used to retire bonds.

The fifteen bonds mentioned are all in the low price field ranging from 8 on the Beacon to 37 on the Alden. At current market levels, the bonds with fixed interest requirements all offer very high yields, i.e. the Mayfair House in excess of 10%. With the potential improvement of earnings pointed out in this article, it would seem worth while investigating some of these apartment hotel bonds.

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Morris Berman Joins Wm. C. Seufferle Co.

CINCINNATI, O.—As of Oct. 1, 1942, the William C. Seufferle Co., Carew Tower, absorbed the firm of Berman & Co., it is announced. Morris W. Berman, formerly of Berman & Co., is now associated with William C. Seufferle Co.

R. Strauss Will Make Headquarters In Chicago

CHICAGO, ILL.—Robert Strauss who came out from New York to open up Strauss Bros. branch in Board of Trade Building, will remain here permanently, where he will continue to have the assistance of Bernard J. Cunningham, as resident manager.

Money Invested In Savs. & Loan Associations Up

People set aside more money in savings, building and loan associations out of July income than in any except one month of all last year, and at the same time the associations sold the largest volume of War Bonds to the public of any month since their participation began, according to a report of the United States Savings and Loan League, Chicago. The report issued Sept. 26 added that withdrawals were less than in the same month of 1941, and that this was the third month in a row when this situation has prevailed.

Fermor S. Cannon, President of the League, sees in the figures definite hope that the backbone people of the country are increasingly alive to the dangers of inflation and are doing something about it, viz., saving money instead of spending it. The net gain in members' funds for July was 27.5% greater than a year ago, and their War Bond purchases were so much greater that they defy comparison. The League advices also state:

"The $162,984,000 July intake represented a new high for this time of the year in the entire post-depression period, although the month after mid-year is customarily a time of heavy new investments in the thrift and home financing institutions. It was the second month in a row which had seen more money flowing in than its counterpart month in 1941, the previous peak. The estimated War bond sales of $40,000,000 by the Associations in July was 38% greater than the next highest month, which was January. This was accounted for partly by more Associations pushing the sales of these bonds than ever before, as well as the cumulative effect of the efforts made earlier in the year to merchandise War securities."

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

NEW YORK, N. Y.—**Cornelius J. Leary** is now associated with **Reynolds & Co.,** in their branch office in the Empire State Building. Mr. Leary was formerly with Dyer, Hudson & Co. and Hirsch, Lilienthal & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Harry S. Allen,** previously with Thompson Ross Securities Co., has joined the staff of **Brailsford & Co.,** 208 South La Salle Street.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Arthur D. Mayfield** has become connected with **Providence Securities Corporation,** 3650 East 112th Street. Mr. Mayfield was previously with Otis & Co. and prior thereto for many years with Stifel, Nicolaus & Co., Inc.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **J. Edward Mesirow** and **Harvey M. Wilson** have become affiliated with **Ryan-Nichols & Co.,** 105 South La Salle Street. Both were formerly with Thompson Ross Securities Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Hugo Moses,** for many years with Thompson Ross Securities Co., is now connected with **Webber-Simpson & Co.,** 208 South La Salle Street.

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(Special to The Financial Chronicle)

CLEVELAND, OHIO — **John J. Fallon** has been added to the staff of **Dodge Securities Corp.,** Terminal Tower.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN.—**Jack Hersey** has become affiliated with **Paine, Webber, Jackson & Curtis,** Rand Tower. Mr. Hersey was formerly with Harris, Upham & Co.

(Special to The Financial Chronicle)

PUEBLO, COLO. — **Berlin C. Church** is now with **Hutchinson & Co.,** Thatcher Building.

J. F. Reynolds With Bear, Stearns & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — John Foster Reynolds has become associated with Bear, Stearns & Co., 9 South La Salle Street. Mr. Reynolds was previously with Kidder, Peabody & Co. and prior thereto was an officer of Hickey & Co., was with Hickey, Doyle & Co. and Burr & Co.

Don Craft Now With Collin, Norton & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO.—Don M. Craft has become associated with Collin, Norton & Co., 508 Madison Avenue, Toledo, Ohio. Mr. Craft was formerly with Goodbody & Co. and Blyth & Co. Prior thereto he was a partner in Paine, Webber & Co., with which he was connected for many years.

H. S. Woodman Joins Distributors Group

H. Stanton Woodman has joined the staff of Distributors Group, Inc., 63 Wall Street, New York City, as wholesale representative. Mr. Woodman for the past six years has been financial advertising representative of Barron's Weekly.

Montgomery Now V.-P. Of Ferris, Exnicios

WASHINGTON, D. C.—Thomas C. Montgomery has become associated with Ferris, Exnicios & Co., Inc., Washington Building, members of the Washington Stock Exchange, as Vice-President. Mr. Montgomery was formerly Vice-President of the recently dissolved firm of Waggaman, Brawner & Co., Inc.

In The Armed Forces

George F. Cramer, formerly an officer in the recently dissolved firm of Waggaman, Brawner & Co., Inc., Washington, D. C., is serving as a Captain in the U. S. Army.

Chapman H. Hyams, 3rd, formerly partner of Hyams, Glas & Carothers, New Orleans, La., has been commissioned a Captain in the United States Marine Corps Reserve, and at the present time is stationed at Quantico, Va.

Paul M. Ohnemus, former secretary and member of the trading department of Enyart, Van Camp & Co., Inc., Chicago, is now serving in the U. S. Army.

William A. Titus, Jr., Vice-President of F. J. Young & Co., Inc., New York City, is taking a leave of absence for the duration. Mr. Titus will report as a Lieutenant U. S. N. R., at the Naval Air Training Station at Quonset Point, R. I.

Tomorrow's Markets Walter Whyte Says—

Street in frenzy of optimism. Mass opinion almost completely bullish. Following crowd not a profitable pastime.

By WALTER WHYTE

Since last week's column was written the market in its own inimitable way turned around and ran up with dust flying in its wake. This of course puts me in the minority, a very lonesome minority. For after being bullish for many months, last week I warned a market top was in the making.

* * *

Still, after spending all these years in trying to forecast market trends I have come to one conclusion: Market trading is, at best, a lonesome affair. For anybody to make money out of the business of buying and selling stocks one has to be a lone wolf. What goes for the man next door will seldom work for you. Every man interested in the market (assuming his interest is practical, not theoretical) must work out his own plans and form his conclusions accordingly.

* * *

When the industrials (DJ) were under 100 I was flatly bullish. If I recall the period correctly I was then also in the minority. Well-wishers on every side kindly informed me the market was headed lower. There was no reason for it to go up. Technical data was quoted, and misquoted, to me ad nauseum. Still, I saw what I believed were certain signs which pointed, if not to immediately higher prices, then certainly not to lower ones. Of course there was a time element to figure on, but as that was not clear, I simply advised readers to buy certain stocks and continued to advise holding them while everybody else was either standing on the sidelines or was openly pessimistic.

* * *

Two weeks ago I wrote the market had finally begun to act as if the long awaited rally was underway. Well, the rally did come but it didn't show the gumption I was looking for. So last week I turned around, went out on a limb and advised the acceptance of profits at specific prices.

* * *

Well, you know what happened. The column was scarcely in print when the market, after a slight hesitation, tore right through the first obstacle on a sharp pick up in volume. The bears of yesterday promptly began deserting the short side, the sideliners also began coming in and the cry around the Street was, "Hold your hats, boys! Here we go."

* * *

It's all very exciting. But if there was ever a time for the careful trader to keep his wits about him, the time is now. It's no intellectual feat to dive in when everybody is yelling the water's fine. It's the exceptional man who decides whether it's fine for him as well as for the next guy. The time to buy stocks is when nobody wants them. The time to sell them is when everybody else is beginning to scramble for them.

* * *

Of course there are exceptions. Back in the summer of 1929 when every signal called for a reaction the public had the bit in its teeth and carried prices about 40 points higher. It's possible the same thing can occur from here. Possible but not probable. For what obtained in the halcyon days no longer applies today. There are too many unsettled problems for the market to cope with to allow of any runaway market.

* * *

Two weeks ago I wrote the market indicated a rally to about 112-116. As this is written the market has already gotten within a few pennies of the 112 figure. Whether or not it has enough strength to get up to the upper level of the price range is something I can't foresee at this time. But I do know the market is right in the middle of a move from which a reaction can begin. Everybody knows it isn't easy to sell stocks when the market is going down. It takes a little more than the average man has to sell them when they are going up. But because it takes the courage to do this it is the only thing to do.

* * *

You bought Air Reduction at 30. Half profits were advised at 35 or better. Stock is now about 36. If you still want to hold on to your half position I suggest you raise your stop to 34.

* * *

Allis Chalmers, bought at 23 is now across 25. It's slow and disappointing. Take half profits across 26 but don't carry the position below 24.

(Continued on page 1254)

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The publicity given to the possibility of important wage increases to rail labor did not prevent the development of an explosive railroad stock market last week. The five most active stocks on the Stock Exchange were rails, with only one of the group, Atchison, Topeka & Santa Fe, being in the dividend paying class. Of the 15 most active stocks, eight were railroads, all on the up side and with advances ranging to more than seven points. The immediate stimulus to the reawakened interest was the action of the Atchison directors in increasing the quarterly dividend to $2.50 a share compared with $1.50 a share paid in the previous quarter and $1.00 a share prior to that. While it was pointed out that the latest declaration was not to be accepted as establishing a regular rate, the action of the directors, when taken in conjunction with resumption of payments on Southern Railway preferred, was taken as a sign of a growing realization on the part of railroad management that the owners of the properties were entitled to a greater material participation in the new found prosperity of the railroad industry.

As to whether or not this growing confidence that the long dividend drought is finally to be broken all along the line is warranted will presumably be evident within the next week or so. It is understood that directors of both New York Central and Southern Pacific will hold meetings next week, and in many quarters it is expected that the matter of dividends will be discussed at that time. Both of these roads have now cleared up their bank and RFC loans, contracted in the late 30s, and naturally there has been considerable pressure from stockholders for recognition of their rights. Sentiment is particularly strong for dividend action by New York Central, with holders pointing to the absence of near term maturity problems which might be held up as a reason for conserving all possible cash. It is further claimed that the cash outlay involved in a token dividend payment (perhaps $1.00 a share) would have little influence on the long term solvency of the road. In a depression in which Central's solvency was threatened the cash saved by non-payment of moderate dividends would mean only a nominal additional lease on life.

In the case of Southern Pacific it is felt that directors would stand on firmer ground in refusing to make dividend payments. Southern Pacific is faced with very heavy principal maturities during the next ten years and certainly the conservative thing to do is to use all available cash to provide for these maturities. With the current phenomenal earnings rate (net may be above $60,000,000 this year and there is no reason to expect any material decline in 1943), and considering that maturities beyond 1943 are selling at discounts, the road might very well be able to solve its entire problem in the present period. Therefore, it is pointed out that by foregoing dividend income for the time being the Southern Pacific stockholders might well emerge from the war boom as owners of a fundamentally sound railroad property with a debt structure supportable even under subnormal business conditions.

While these two roads have occupied the spotlight in discussions of dividend potentialities, they by no means exhaust the list. Atlantic Coast Line is expected to earn more than $20.00 a share this year compared with $13.50 in 1941. Coast Line was the first of the strictly marginal roads to resume dividends, with $1.00 paid late in 1941. This year, however, the situation is somewhat altered by the use of cash for the redemption at 102 of the outstanding 5s, 1945, and earlier hopes for a very substantial dividend have had to be moderated. Despite their traditionally liberal attitude, it now seems likely that the directors may hold the 1942 distribution to $2.00. There has been little hope of any distribution by Northern Pacific, while the better grade Great Northern, Louisville & Nashville and Union Pacific are expected to hold their 1942 distributions to the 1941 levels. Erie is expected to make another year-end distribution of $0.50 or $1.00 while holders of Chesapeake & Ohio will probably have to be satisfied without any year-end extra such as was paid last year.

Aside from these issues on which most of the dividend speculation has centered, rail analysts are looking for constructive action on some of the less active shares. In particular, possible earnings of as much as $14.00 a share on Texas & Pacific common and $12.00-$15.00 on Nashville, Chattanooga & St. Louis are being mentioned as justifying distributions ranging as high as $5.00 a share. Neither property is faced with near term maturity problems. Finally, there is considerable talk as to what action will be taken on Gulf, Mobile & Ohio preferred. This stock did not become cumulative until July 1, 1942, but the full $5.00 rate will be covered by a substantial margin for the full year. It is, therefore, fairly generally expected that the full regular rate will be paid, in one lump sum in December.

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Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—43⅝; low—14¾; Oct. 7 price—43⅜.

Van Ells With Blair Co.

F. H. Van Ells has become consultant on railroad securities to Blair & Co., Inc., 44 Wall Street, New York City, Mr. Van Ells was formerly railroad editor of the "Wall Street Journal."

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Bank and Insurance Stocks

This Week — Bank Stocks

By H. A. LEGGETT

A large part of the human race is now thinking in terms of survival—and not much else. It is no longer of primary importance whether we own a beautiful house, dress well, buy a new car or make a million dollars. Most of us are more concerned with preserving our necks than our gadgets and would rather lose our shirts than our liberty.

In this kind of atmosphere, it is little wonder that corporate analysts are beginning to think more about the survival ability of various companies than about present earnings and dividends. It is generally recognized, by analysts and investors alike, that current statistics are almost meaningless—from a long term standpoint. Thousands of companies, now handling the greatest volume of business in their history, may some day be faced with a situation where they haven't an order on the books. At the same time, other thousands of businesses are being drastically curtailed under the war economy and, for many of these, it is purely a question of how long the war lasts. Some will be able to mark time and remain solvent more or less indefinitely but, in a number of industries, the mortality rate will increase rapidly if the war is greatly prolonged.

Inevitably the war will also bring in its wake many social, economic and scientific changes—some of which will remain, for better or worse, a permanent part of our life. When peace does come, therefore, it will not bring with it any guarantee of a complete return to so-called normalcy. The outlook for some industries may be entirely altered and the assets of yesteryear, in some cases, may not be worth the ledger paper on which they are listed. In this welter of confusion and uncertainty, there are all too few havens of refuge for harassed investors and all too few principles of precedure to which they can adhere with any reasonable hope of financial salvation.

Among the industries which are not being radically transformed by the war and whose post-war outlook is relatively secure, the banking business is regarded by many economists as one of the best situated. On a pure survival basis, at least, the Banking Industry is still sufficiently essential and sufficiently adaptable as to assure for it a better-than-average degree of permanence. Furthermore, banks have a considerable advantage over most other corporations during periods of violent industrial and monetary fluctuations. A bank's liabilities and most of its assets are simply bookkeeping entries, due and payable in the same kind of specie. The loans and investments of a bank are, for the most part, more liquid and less subject to deterioration than the property accounts of industrial, railroad or utility companies. Banks have practically no problems of factory construction or obsolescence nor are they directly affected by commodity shortages or surpluses.

Mechanical or technological changes, which are a constant thorn in the side of many industries, are of little concern to the banks except to the extent that they have produced many labor-saving devices for them to utilize. Also transportation difficulties are almost unknown to banks; only an occasional blizzard or washout may, at times, prevent some staff members from maintaining a perfect record of attendance. A bank's business is conducted largely by mail, telephone or messenger and neither rain, nor snow nor gloom of night is likely to stay those couriers from the swift completion of their appointed rounds.

Banks, at least most of the large metropolitan institutions, also have the advantage of a simple capital structure consisting only of common stocks. With rare exceptions, it has been far more comfortable in recent years to have neither Funded Debt nor any considerable amount of Preferred Stock outstanding. This is usually the case during periods of upheaval, particularly when Inflation and Deflation alternate in chasing each other up and down the economic scale.

One important respect in which the Banking Industry has a headstart on most other industries is in the matter of regulation. Banks have not only been subject to constant government supervision for generations but, during the past decade, have been obliged to adapt themselves to an increasing amount of restriction, dictation and direct Government competition. As a result, bankers are now more accustomed to operating in a regimented economy than executives of other businesses who are now undergoing this experience for the first time. In general, the relations which now exist between the banking industry and the Government are pleasant and workable and, although a very high percentage of individualism has been extracted from the banking business, it will probably be a lot safer than it has usually been in the past.

In fact, the Government itself now stands as guarantor and protector of the Banking Industry to an extent not vouchsafed to any other industry. To all intents and purposes, safe and sane banking is now the responsibility of Government more than it is of the bankers themselves. Therefore, it is logical to expect that all necessary steps will be taken to maintain a strong and healthy banking system and that reasonable profits will not only be permitted but encouraged.

In this connection, it is interesting to consider the position of the Banking Industry under State Capitalism or whatever form of capitalism we are destined to have, not only during the war but thereafter. It is worthy of note, perhaps, that even in totalitarian countries the banking structure has been fairly well preserved and that dividends, although limited as to rate, are not only allowed but have been better maintained than in most other industries. Wherever State Capitalism has become dominant, the banking business is usually the first to be regulated but—on the other hand—it apparently is also the last to be eliminated altogether. Thus, it is likely that the Banking Industry will be one of the safest businesses in which to invest during a time when corporate survival is the primary concern of investors generally.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1253)

Crane, another disappointment, bought at 12, is now 12 and high fraction. Don't carry it under 11.

* * *

International Harvester bought at 43 was to have half its position liquidated at 50 or better. When advising in last week's column I stated I didn't think it could make the 50 figure on this move. But it did sell at 50, though not for long, current price about 49⅞. Rest of the position should be stopped at 46.

* * *

Pittston recommended at 1¾ rallied during the week to 2¾. Advice given last week was to take profits at 2⅝ or better.

* * *

Union Carbide bought at 59 of which half was sold across 70, is now at 72. Last advice here was to sell the rest at market (about 72 bid—72¼ offered). That about closes up the current cycle. I expect to recommend new positions when I think the time is ripe. I don't think this is the time.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

A. H. Peterkin Co. In NY

Alfred H. Peterkin has formed A. H. Peterkin Co. with offices at 44 Beaver Street, New York City, to engage in a general securities business. Mr. Peterkin was formerly sales manager for Stewart J. Lee Company.

To Admit Engeman

Harry R. Engeman will become a partner in Pershing & Co., 120 Broadway, New York City, members of the New York Stock and Curb Exchanges. Mr. Engeman will act as alternate on the floor of the Stock Exchange for Louis B. Froelich.

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Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1941 .... £150,939,354
SIR ALFRED DAVIDSON, K.B.E., General Manager
Head Office: George Street, SYDNEY
The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.
LONDON OFFICES:
29 Threadneedle Street, E. C.
47 Berkeley Square, W. 1
Agency arrangements with Banks throughout the U. S. A.

NATIONAL BANK of EGYPT
Head Office Cairo
Commercial Register No. 1 Cairo
FULLY PAID CAPITAL . £3,000,000
RESERVE FUND £3,000,000
LONDON AGENCY
6 and 7 King William Street, E. C.
Branches in all the principal Towns in
EGYPT and the SUDAN

To Close For Duration

NEWBURGH, N. Y. — Charles D. Scheetz & Co., Miller Building, announces that operations of the firm will be suspended as of Oct. 1 for the duration of the war. Charles D. Scheetz, head of the firm, is planning to devote his services to the war effort.

DIVIDEND NOTICES

TRIUMPH EXPLOSIVES, Inc.

The Board of Directors has declared a quarterly dividend of 5 cents per share and an extra dividend of 2½ cents per share on the common stock, payable November 1, 1942, to stockholders of record on October 10, 1942.

G. H. KANN, *President*

October 1, 1942

NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on November 2, 1942, to stockholders of record on October 15, 1942. The transfer books will not close.

THOS. A. CLARK
September 24, 1942 TREASURER

INDIANA PIPE LINE COMPANY
26 Broadway, New York
September 19, 1942.

A dividend of Thirty (30) Cents per share has been declared on the Capital Stock ($7.50 par value) of this Company, payable November 14, 1942 to stockholders of record at the close of business October 23, 1942.

J. R. FAST, *Secretary.*

Boston Traders Name Officers For 1942-43

BOSTON, MASS. — At the annual meeting of the Boston Securities Traders Association, Eugene R. Hussey, First Boston Corporation, was elected President for the ensuing year. Other officers chosen were: Frederick W. Rice, Jr., Goldman, Sachs & Co., Vice-President; Howard S. Harris, Baldwin & Co., Treasurer; G. Carleton Jordan, R. W. Pressprich & Co., Recording Secretary; and William S. Thompson, Ralph F. Carr & Co., Corresponding Secretary.

Governors of the Boston Traders Association are: Harry W. Crockett, Coffin & Burr, Inc.; William F. May, May & Gannon; James F. McCormick, Jr., Chandler Hovey & Co.; Robert T. B. Peirce, H. P. Wood & Co.; Charles W. Stevens, Arthur Perry & Co., Inc.; and A. N. Winslow, Jr., Perrin, West & Winslow.

E. H. Worthington Is Now With Baker-Watts

BALTIMORE, MD.—Baker, Watts & Co., Calvert and Redwood Street, members of the New York and Baltimore Stock Exchanges, announce that Ellicott Hewes Worthington is now associated with their firm. Mr. Worthington for many years was a partner in W. W. Lanahan & Co.

FINANCIAL NOTICE

Notice to the Holders of:

Kingdom of Denmark

Twenty Year 6% External Gold Bonds, Due January 1, 1942
Thirty-Year 5½% External Loan Gold Bonds, Due August 1, 1955
Thirty-Four Year 4½% External Loan Gold Bonds, Due April 15, 1962

City of Copenhagen

Twenty-Five Year 5% Gold Bonds, Due June 1, 1952
Twenty-Five Year 4½% Gold Bonds, Due May 1, 1953

Danish Consolidated Municipal Loan

Thirty-Year 5½% External Sinking Fund Gold Bonds, Due November 1, 1955
Twenty-five Year 5% External Gold Bonds, Due February 1, 1953

Mortgage Bank of the Kingdom of Denmark

(Kongeriget Danmarks Hypotekbank)

Forty-five Year 5% Sinking Fund External Gold Bonds Series IX, of 1927
Due December 1, 1972

The undersigned Minister of Denmark in Washington makes the following statement for the information of bondholders of the above-described issues:

For the purpose of paying October 15, 1942 coupons of Kingdom of Denmark Thirty-Four Year 4½% External Loan Gold Bonds, due April 15, 1962, November 1, 1942 coupons of City of Copenhagen Twenty-Five Year 4½% Gold Bonds, due May 1, 1953, and November 1, 1942 coupons of Danish Consolidated Municipal Loan Thirty-Year 5½% External Sinking Fund Gold Bonds, due November 1, 1955, I propose to put the particular paying-agents in funds so far as it is estimated to be necessary to make coupon payments to holders, other than residents of Denmark, of bonds of these three issues.

October 15 and November 1, 1942 coupon payments will be subject to such licences as may be granted to paying-agents by the United States Treasury.

In conformity with my announcement of July 29, 1942, I purpose to make subsequent announcements with a view to keeping bondholders informed of further developments relating to the above-described loans.

HENRIK KAUFFMANN
Envoy Extraordinary and Minister Plenipotentiary
of His Majesty the King of Denmark

Washington, D. C., October 7, 1942.

The Securities Salesman's Corner

A SALES CAMPAIGN THAT IS PRODUCING!

"Today's opportunity in the investment field is far greater than it has been for many years past!" This is the way the Keystone Corporation looks at the present situation now facing securities dealers and salesmen. They have sent this column a booklet which puts forth some tested sales ideas that in their opinion have been most important in building up Keystone's volume to over $11,500,000 so far this year—an amount nearly equal to their entire sales for the year 1941.

The main idea behind these sales campaigns is that the investor today is not interested primarily in buying a stock or a bond. On the contrary "we have a bear market in people who want to buy securities—BUT WE HAVE A BULL MARKET IN PEOPLE WHO HAVE INVESTMENT PROBLEMS. Few investors are interested in buying more securities but ALL INVESTORS ARE INTERESTED IN CONSTRUCTIVE IDEAS THAT WILL HELP THEM TO REDUCE RISK TO PRESENTLY INVESTED CAPITAL, TO MAKE INCOME MORE CERTAIN OF CONTINUANCE, AND TO IMPROVE THE PROSPECTS FOR RECOVERY OF LOSSES, WHEN, AS AND IF THE SECURITIES MARKETS RECOVER."

With this factor firmly established the sales campaign is then developed along the lines of bringing the problems of the investor to the surface. In other words, the salesman crystalizes the slumbering and unspoken concerns of the investor into the reality of showing where the account AS A WHOLE must be surveyed AND CONSIDERED AS A UNIT.

The first thing the salesman does is to select one problem that confronts the investor. It may be the effect of taxes on his holdings, rising living costs, diminishing dividends, governmental regulation or the broad effects of the war economy or other common problems which affect all investors. Most accounts present several problems but the thing to do is to select the major obstacle AND PRESENT IT TO THE CLIENT SO THAT HE CAN SEE IT AND UNDERSTAND IT. We quote from the Keystone bulletin on what the salesman should and should not do at this point.

"There is a natural temptation to summarize the problem briefly and then go on to the next point but this must be avoided. Discuss problem in simple term and detail. Then go over it again. Stick to the discussion in GENERAL TERMS until YOU ARE SURE YOUR CLIENT UNDERSTANDS IT. And when he understands it he will tell you so. He will say, 'Yes, I see that is a serious matter but what can be done about it?' When he tells you that he understands the problem and asks what can be done about it—you have completed the first step."

The Keystone bulletin offers some typical approaches that salesmen can use in setting up his interviews and gaining his client's interest at this point. We think they are excellent but space limitation do not permit us to quote them; however, we are certain that those who might be interested in this entire sales campaign can receive the complete copy from its sponsors.

"After the client admits and understands that he has a problem the next step is to suggest a solution in GENERAL TERMS. For example, if an account has a large proportion of common stocks the basic advantages of discount bonds, as a class, under a war economy should be discussed. (Interest comes before taxes.) An account invested in money bonds may be reshaped by taking advantage of premiums on this class of security and brought more into line with the investor's need for income. AGAIN WE TALK ABOUT THE SOLUTION IN GENERAL TERMS UNTIL THE INVESTOR TELLS US THAT HE UNDERSTANDS IT AND HAS ACCEPTED IT. He will ask, "I can see that it makes a good deal of sense, how can we do it?"

"The next and final step is to suggest the security that you think will fill the bill. To do so before the investor has become convinced of his problem and the need for a solution should never be attempted. But now you can say, 'For this particular problem the best solution that I know of is . . . .' The point of this sales campaign is 'That if you will spend ninety percent of your time in selling the problem and the solution to the problem, the securities that you suggest will sell themselves in the last ten percent of the interview.'"

There are a number of valuable sales pointers contained in this bulletin on such subjects as, "what to do with a holding list," "Amount of money as against talking number of shares," the problem of "risk and return" and how to get certain customer fallacies and superstitions out of the way of the order. The ideas presented are usable for selling any securities as well as the sponsor's own particular offering, Keystone Fund. This column recommends that you procure a copy.

Investing Co. Ass'n Elects to Exec. Group

Announcement was made by the National Association of Investment Companies, of the election to the Executive Committee of the Association of O. Kelley Anderson, President, Consolidated Investment Trust; George M. Gillies, Jr., Executive Vice-President, The Adams Express Co.; S. L. Sholley, President, Keystone Custodian Funds, Inc.; and Hardwick Stires, Vice-President, Scudder, Stevens & Clark Fund, Inc. These men were elected in the regular annual balloting of the Association for the three year term commencing Oct. 1, 1942.

Because of the resignations of committee members devoting their full time to war work or for other reasons, the Association announced, four vacancies have occurred and the following men have been elected by the committee to complete the unexpired terms: William F. Morton, Vice-President, State Street Corporation; Dorsey Richardson, Vice-President, The Lehman Corporation; and Frank F. Russell, President, National Aviation Corporation, for terms ending Sept. 30, 1943; Merrill Griswold, Chairman, Massachusetts Investors Trust, for the term ending Sept. 30, 1944, Mr. Griswold has been a member of the committee since formation of the Association, his term having expired Sept. 30, last.

Those continuing to serve on the committee are Charles F. Eaton, Jr., Trustee, Eaton & Howard Balanced Fund; James H. Orr, President, Railway and Light Securities Co.; Cyril J. C. Quinn, Vice-President, Tri-Continental Corporation; Richard Wagner, President, The Chicago Corporation; and Paul Bartholet, Executive Director of the Association.

Membership of the Association, which was organized a year ago to place on a permanent basis the work previously carried on in connection with regulation of investment companies by the National Committee, now comprises 120 companies with combined assets of approximately $1,000,000,000, including the great majority of active management companies. Its activities during the year just closed, Mr. Bartholet said, were largely concerned with working with the Securities and Exchange Commission, in the development of workable and effective rules for the administration of the Investment Company Act. One of the principal accomplishments, Mr. Bartholet said, had been the creation of a better understanding on the part of investment companies of one anothers' problems and the approach to a common viewpoint of what constitutes reasonable regulation.

Lukens Steel Debs. Offered By E. H. Rollins

An issue of $2,200,000 4¾% sinking fund debentures due June 1, 1952, are being offered today by a banking syndicate headed by E. H. Rollins & Sons, Inc., Eastman, Dillon & Co. and Whiting, Weeks & Stubbs, Inc. The debentures which are offered at 100 and accrued interest, are being issued for the purpose of discharging the balance of $1,980,000 due on a bank loan in the principal amount of $2,200,000, together with the accrued interest and premium thereon. Other members of the underwriting syndicate are Stroud & Co., Inc., Graham, Parsons & Co., Biddle, Whelen & Co., Boenning & Co. and Bond & Goodwin, Inc.

Lukens Steel Co. is a non-integrated steel producer whose principal business is the manufacture of carbon and alloy hot rolled steel plates. The company also hot rolls and forms plates of ferrous, non-ferrous and special alloy metals.

The company's capitalization to be outstanding upon completion of this financing will consist of the new issue of $2,200,000 4¾% debentures, $2,337,500 2.15% serial bank loan and 317,976 shares of common stock (par $10).

For the twenty-four weeks ended March 28, 1942, company reported gross sales, less returns, allowances and discounts of $19,974,431, compared with $30,883,591 for the fiscal year ended Oct. 11, 1941, $18,751,175 for the fiscal year 1940 and $11,929,582 for the fiscal year 1939. The net profit available for interest and other charges for the 1942 period was reported at $3,609,521, as against $4,171,160 for the year 1941, $1,355,587 for the year 1940 and $357,418 for the year 1939.

The indenture provides a sinking fund for the debentures in the amount of $220,000 per annum plus 25% of the "consolidated net income of the company and its subsidiaries" in excess of $880,000 (except that the obligation of the company on account of the fiscal year 1942 is limited to 12½% of the excess of such net income over $880,000). The foregoing sinking fund is postponable to the extent not earned but is cumulative.

Boston S. E. Names To Governing Committee

BOSTON, MASS.—At the recent election of the Boston Stock Exchange, the following were elected members of the Governing Committee:

Louis Curtis, Brown Bros Harriman & Co. (term to expire 1943); Alvah R. Boynton, F. S. Moseley & Co.; Frank H. Brown, Paine, Webber, Jackson & Curtis; Lyon Carter, Estabrook & Co.; John Perrin, Perrin, West & Winsolw; John A. Paine, Coffin & Burr; and Charles C. Waterman, Draper, Sears & Co. (terms to expire 1944).

Members chosen for the 1942-43 Nominating Committee were: Howard W. Hodgdon, Chairman; Waldo M, Brown; Hollis Hunnewell, Hunnewell & Co.; Henry G. Nickerson; and Samuel Mixter, Chandler Hovey & Co.

NATIONAL SECURITIES SERIES
Bond Series Low-priced Bond Series Income Series
Preferred Stock Series Low-priced Common Stock Series
International Series
FIRST MUTUAL TRUST FUND
COMMODITY CORPORATION-CAPITAL STOCK
Prospectuses upon request
NATIONAL SECURITIES & RESEARCH CORPORATION
120 Broadway, New York :: Russ Bldg., San Francisco

Investment Trusts

NEW OFFERING

The long dearth of new issues in the investment company field will be broken on or about Oct. 19 with the initial offering of National Securities new "International Series."

This new offering will be the sixth of the National Securities Series. As the name implies, this Series will provide wide geographical diversification of investment in issues of foreign governments and of foreign and domestic corporations. It was created in the belief that it "will be widely accepted by investors as a partial hedge against a purely domestic investment position."

An analysis of the eligible list for the International Series reveals that an exceptionally comprehensive list of South American government and municipal bonds has been included. Thus, this new Series will be in a position to benefit from the remarkable improvement which is taking place in many South American countries as a result of our own Government's "hemisphere" policy coupled with the war-stimulated demand for their products.

The initial portfolio, subject to change, will be made up of the following groups:

Foreign Government & Municipal Bonds:	
British Empire Bonds	26.49%
European (Continental) Bonds	9.53%
Latin American Bonds	24.37%
Corporate Bonds	15.61%
Common Stocks	24.00%

A new prospectus for National Securities Series, including the International Series, has been issued under date of Sept. 21, 1942 and now replaces the prospectus dated Aug. 26, 1942.

Anniversary

The current issue of the "Union Dealer" recalls that the month of September marked the beginning of Union's third year.

"What does Union have to offer on this, its second anniversary? For one thing, a record of performance which affords convincing evidence of sound management. For another, yields from net investment income which, surrounded by the safeguards of careful selection and broad diversification, are highly attractive in these days of low interest rates and uncertain dividends.

"To take the most recent period, here are the performance records of the three Union Bond Funds from Dec. 31, 1941 to Sept. 24, 1942."

	Gain
Union Bond Fund "A"	4.1%
Union Bond Fund "B"	9.5%
Union Bond Fund "C"	24.0%

"For purposes of comparison, the action of various security price indices during the same period are tabulated below."

	Loss
Dow-Jones Industrial Average	1.6%
Dow-Jones Combined Average	0.7%
	Gain
Standard & Poor's 90 Stock Index	1.8%

"Based on offering prices as of Sept. 24, 1942, the current net investment income of the three Union Bond Funds—after all expenses—provides the following estimated yields to the investor."

Union Bond Fund "A"	4.1%
Union Bond Fund "B"	5.4%
Union Bond Fund "C"	7.9%

From Investment Co. Reports

The annual report of Keystone Series K1 Income Preferred Stock Fund for the fiscal year ended Aug. 31, 1942 shows net assets for this fund of $3,367,735, equal to $11.53 on the 292,172 shares outstanding. At the close of the previous fiscal year, net assets were $2,880,027, equivalent to $14.63 per share on 196,857 shares then outstanding.

The Keystone Series B4 Bond Fund semi-annual report for the six months ending Aug. 31, 1942 shows total net assets of $7,090,386 equal to $7.23 per share on 980,841 shares outstanding compared with assets of $5,481,458, or $7.31 per share on 749,986 shares outstanding as of Feb. 28, 1942.

Total assets of the ten funds of the Keystone group are reported in excess of $38,750,000 compared with $28,379,000 at the close of 1941.

Investment Company Briefs

The sponsor of National Securities Series has released two mem-

(Continued on page 1263)

1 OF 20 MAJOR INDUSTRY SERIES
NEW YORK STOCKS, INC.
RAILROAD SERIES
PROSPECTUS ON REQUEST
HUGH W. LONG and COMPANY
INCORPORATED
15 EXCHANGE PLACE JERSEY CITY
634 SO. SPRING ST. LOS ANGELES

Keystone Custodian Funds

BONDS

Business Men's Investment Bond Fund	B1
Medium Priced Bond Fund	B2
Low Priced Bond Fund	B3
Speculative Bond Fund	B4

PREFERRED STOCKS

Income Preferred Stock Fund	K1
Appreciation Preferred Stock Fund	K2

COMMON STOCKS

Quality Common Stock Fund	S1
Income Common Stock Fund	S2
Appreciation Common Stock Fund	S3
Low Priced Common Stock Fund	S4

Prospectus may be obtained from your dealer or from

THE KEYSTONE CORP. OF BOSTON
50 CONGRESS STREET, BOSTON

Municipal News & Notes

Official notice appears on this page of the intention of Arkansas Refunding Board to receive tenders until 11 a.m. (CWT) on Oct. 28 of non-interest bearing State road district refunding bonds, series B. Tenders will be received at the office of Earl Page, State Treasurer and member of the Refunding Board, Little Rock, Ark.

All bonds purchased will be bought at the lowest offering prices, which must be less than par. The right of acceptance or rejection of all or any part of the bonds so tendered is reserved. Immediate confirmation will be made of accepted tenders, and payment will be made on Nov. 4, 1942.

The 1943 session of the State Legislature will be asked to approve a proposal authorizing the redemption of all outstanding State road district "B" bonds at par, it was recently announced by Abe Collins, of DeQueen, Ark., lawyer-banker and a member of the Arkansas State Refunding Board. These are non-interest bearing obligations and carry a maturity date of 1949. They were issued in 1934 in lieu of interest on other highway bonds. When the State's other $136,000,000 of highway debt was refunded in 1941, a legislative act provided that $2,207,326 be held in cash for the redemption of the series "B" bonds in 1949. Under the statute, the State Refunding Board was permitted to redeem the bonds on tenders prior to 1949 at a price "less than par." Since the bondholders cannot be forced to dispose of the obligations before maturity, the fund established for their payment must remain idle in St. Louis, Mo., until 1949, unless there is a desire to sell them for less than par as provided for under terms of the existing law.

San Francisco Cancels Pre-Election Bond Sale

The Board of Supervisors of the above-mentioned city has rescinded an earlier decision, mentioned in these columns last week, to receive bids Oct. 13 on the prospective $7,950,000 Market St. railway revenue bond issue. The question of issuing the bonds will be determined by popular vote at the Nov. 3 election. Decision to postpone asking for bids until after the bonds have been authorized was made at a conference attended by local bankers and bond house representatives. With one exception, they all agreed that the city would make a better deal by deferring the sale until nearer the date of actual issuance of the obligations.

D. M. Wood Attacks Proposed SEC Rule

The current attempt of the Securities and Exchange Commission to include the municipal bond business within the scope of its jurisdiction, through the medium of its proposed rule X-15C1-10 for further regulation of the counter markets, was sharply assailed by David M. Wood, a member of the municipal law firm of Thomson, Wood & Hoffman, New York City, and President of the Municipal Bond Club of New York.

Mr. Wood, who addressed a luncheon meeting of the Philadelpiha Municipal Bond Club on Oct. 2, characterized the proposed rule as an example of "regulation at its worst" and said that the SEC's greatest mistake is its failure to recognize that anything which impedes "the free flow of State and municipal bonds directly affects the States and municipalities."

The noted attorney accepted the occasion to discuss the matter of regulation of business and industry in general and the conditions under which any regulation can be justified as in the public interest. His remarks in this connection, in our opinion, are extremely timely and are deserving of the widest dissemination. They are reproduced herewith:

"I am of the opinion that regulation of a business, or industry, is in the public interest when abuses in that business, or industry, are so widespread as to be the rule, rather than the exception. Then, in my opinion, and only then, is it justifiable to impose burdens upon legitimate transactions and honest business men. Under such circumstances, unfortunately, the honest business man and the legitimate transaction is the exception, and the benefit of the regulation, in all probability, will outweigh its disadvantages. When, however, the abuse complained of is a rare occurrence and the overwhelming majority of transactions in the industry are legitimate, fair and above board, then to handicap the great majority of honest men in the business and to put burdens upon the overwhelming majority of legitimate transactions, in an effort to curb the rare and isolated illegitimate transaction, is absurd. The cure is worse than the disease."

FLORIDA

FLORIDA
MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

R. E. CRUMMER & COMPANY
INVESTMENT SECURITIES
1ST NAT BANK BLDG CHICAGO ILLINOIS

Michigan City Questions Validity Of Bonds

The City of Berkley, Mich., has begun litigation in the Oakland County Circuit Court seeking to have invalidated approximately $1,000,000 of its outstanding bonds on the ground that they were illegally issued, according to Pontiac press reports, from which source we quote as follows:

The city has made a very substantial progress during the last year toward solving its funded debt problem, according to Mayor Ernest R. Baldwin in a report to the Commissioners.

According to his report, in March of this year the total bonded debt of the city was $2,001,795.50. Mayor Baldwin said that litigation has been started in the Oakland County Circuit Court which he believes will determine the validity of a great portion of these bonds.

The auditor's tabulations show that approximately 4.5% of all bonds originally issued excluded the charter debt limit of 10% of the city's assessed valuation. It also asserts that approximately 51.2% of all bonds now outstanding are illegal because in excess of the limit. Thus $1,024,919.39 of the outstanding indebtedness is claimed to be void because in excess of the limitation.

The Mayor said the city expects litigation will reduce the city debt by this amount thus setting the legal debt of the city at approximately $976,876.31. The Mayor said that the city will be faced with all the debt it can possibly pay. The city intends to pay all valid indebtedness promptly, according to Mayor Baldwin, but will ask greatly reduced interest rates.

West Virginia's And Local Debts Down Sharply

An impressive record of debt reduction by the State Government and its local subdivisions is set forth in the 15th report of George P. Alderson, Tax Commissioner of the State of West Virginia. A comparison of such indebtedness at July 2, 1942, as contrasted with the peak or all-time high in 1930-1932, is particularly interesting.

The report shows that in the 12 years ended July 2, 1942, local units of the State, comprising counties, districts, school districts and municipalities, reduced their outstanding obligations by 44%. As against the peak or all-time high of $78,273,000 in 1930, the total had declined to $43,675,900 in 1942, a reduction of $34,597,100. During the same period the annual interest charges on outstanding bonds of the various subdivisions had been reduced by $2,052,000, or 51%. Such charges amounted to $3,988,000 in 1930 and only $1,936,000 in 1942.

Commendable progress in debt reduction is also indicated with respect to the State itself. In the ten years ended July 2, 1942, the total of outstanding State obligations was cut $12,168,000, or 14%. The State's total indebtedness in 1932 was within $250,000 of the all-time high, the figure being $86,131,000. The 1942 aggregate is reported at $73,963,000.

All outstanding bonds of the State mature serially and all of the local governmental obligations are serial or callable except 10 old issues, the report says. It is also noted that a sum of over $12,250,000 was available in cash and investments, as of July 2, 1942, for the purpose of paying principal and interest requirements on State and local bonds.

The State Sinking Fund Commission administers all interest and sinking funds required on the bonds of the various subdivisions, except for six issues dated prior to 1921 which were issued before the passage of the act creating the Commission. These issues are conditioned by a bond for a special administration. The Commission, together with the State Treasurer, sees that adequate funds are available at the proper place to meet maturing principal and interest charges on all bond issues, State and local, and the report states that the Commission has never had a slow coupon or a delay in payment of a bond at maturity.

The report also includes a thumb-nail sketch of every outstanding bond issue of the State and the local taxing units.

Virginia Debt Retirement Plan Approved

In a special message to the State Legislature on Sept. 29, Governor Darden of Virginia recommended a plan to provide for liquidation of the State's debt of $18,550,673 by buying long-term Federal securities with maturities comparable to those on outstanding state obligations. (The program was unanimously approved by both Houses of the Legislature on Sept. 30). As matters now stand, the Governor said, "we are unable to employ profitably most of the money which we have in hand. Meanwhile, we are now paying $480,561 a year in interest charges and before the indebtedness is ultimately retired we shall have laid out approximately $6,600,000 on this account." The Governor estimated that between $4,500,000 and $5,000,000 can be obtained on the proposed securities purchases to offset the carrying charges on the State's obligations. By purchasing the Federal war bonds, he continued, the State would make available to the Federal Government millions of dollars sorely needed for prosecution of the war.

"In considering my recommendations," the Governor told the legislators, "I want it borne in mind that my proposal is

(Continued on page 1258)

Notice of Tender

State of Arkansas

The Refunding Board of the State of Arkansas will receive tenders until **11:00 o'clock A. M., Central War Time. October 28, 1942**, at the State Treasurer's Office, Capitol Building, in Little Rock, Arkansas, of non-interest bearing STATE OF ARKANSAS ROAD DISTRICT REFUNDING BONDS, SERIES B.

All bonds purchased will be purchased at the lowest offering prices, which must be less than par. The right of acceptance or rejection of all or any part of the bonds so tendered is reserved. Immediate confirmation will be made of accepted tenders, and payment will be made on November 4, 1942.

Forms to be used in submitting tenders may be obtained, by request, at the office of the Refunding Board.

This notice is given in pursuance of resolution duly adopted by the Refunding Board of the State of Arkansas, and, as provided by Act 11 of the General Assembly of the State of Arkansas, approved February 12, 1934, and Act 4 of the General Assembly of the State of Arkansas, approved January 28, 1941.

Dated this 2nd day of October, 1942.

Refunding Board of the State of Arkansas

By EARL PAGE,
Treasurer of State and Member of the Refunding Board of the State of Arkansas

ATTEST:
C. G. HALL,
Secretary of the Refunding Board of the State of Arkansas

That Key Man in Your Business

Would your firm sustain a loss if he died?

Insurance on his life, payable to the concern, would offset this financial blow.

The Prudential Insurance Company of America
Home Office, NEWARK, N. J.

...THE...
PHILADELPHIA NATIONAL BANK

Organized 1803

September 30, 1942

RESOURCES

Cash and due from Banks	$193,155,800.36
U.S. Government Securities	330,891,777.52
State, County and Municipal Securities	18,459,249.57
Other Securities	41,133,263.45
Loans and Discounts	85,684,084.25
Bank Buildings	2,750,000.00
Accrued Interest Receivable	2,290,714.04
Customers Liability Account of Acceptances	903,307.54
	$675,268,196.73

LIABILITIES

Capital Stock	$14,000,000.00
Surplus and Net Profits	33,185,464.19
Reserve for Contingencies	3,079,104.59
Dividend (Payable October 1, 1942)	875,000.00
Reserve for Taxes	2,588,340.05
Unearned Discount and Accrued Interest	209,373.56
Acceptances	1,727,837.25
Deposits	619,603,077.09
	$675,268,196.73

EVAN RANDOLPH, *President*

CHARLES P. BLINN, JR., *Executive Vice-President*

DIRECTORS

RODMAN E. GRISCOM
JOHN HAMPTON BARNES
MORRIS L. CLOTHIER
CHARLTON YARNALL
EVAN RANDOLPH
WILLIAM JAY TURNER
WILLIAM M. POTTS

A. J. COUNTY
GEORGE F. TYLER
SYDNEY E. HUTCHINSON
A. G. ROSENGARTEN
WILLIAM H. KINGSLEY
RICHARD D. WOOD
CHARLES P. BLINN, JR.
I. W. BOOTH

JOHN O. PLATT
JOHN F. MACKLIN
P. BLAIR LEE
WILLIAM CLARKE MASON
G. WILLING PEPPER
WILLIAM L. McLEAN, JR.
J. R. DOWNES

MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

1416 Chestnut Street 32nd Street & Lancaster Avenue 421 Chestnut Street

Municipal News And Notes

(Continued from page 1256)

predicated upon an irrevocable commitment to the debt. It may be that the securities purchased will decline between now and maturity. Consequently, we cannot, with safety, count upon using this fund for other purposes, since the sale of the securities might entail large losses. However, if they are held to maturity, and used for the purpose for which purchased, the plan is, I believe, sound."

The Governor recommended that the money to liquidate the debt be turned over to the sinking fund commissioners for investment. He also advocated that the State Treasurer be empowered to buy short-term notes with money in the treasury. He said the Treasurer is no longer able, as in the past, to employ funds profitably in time deposits.

Pointing out that the State cannot call its debt until due, the chief executive explained the Virginia obligations fall due annually until 1966 in fixed amounts.

He said that against these obligations the various sinking funds hold securities carried at $6,247,518.23 which, he explained, was somewhat less than present value. There are largely Virginia municipal bonds and bonds of State institutions of higher learning, and include $1,754,800 in stock of the Richmond, Fredericksburg and Potomac Railroad. In addition, he called attention to a deposit of $5,000,000 in the sinking fund by the 1942 regular session of the State Legislature, making a total of something over $11,000,000.

Business Established 1818

BROWN BROTHERS HARRIMAN & CO.

PRIVATE BANKERS

NEW YORK BOSTON PHILADELPHIA

Statement of Condition, September 30, 1942

ASSETS

Cash on Hand and Due from Banks		$ 37,268,543.30
United States Government Securities *Valued at Cost or Market whichever Lower*		59,654,230.95
Call Loans and Acceptances of Other Banks		6,255,664.57
Securities Called or Maturing Within 1 Year *Valued at Cost or Market whichever Lower*		5,435,749.34
Loans and Advances		28,186,997.77
Marketable Bonds and Stocks *Valued at Cost or Market whichever Lower*		13,901,249.63
Customers' Liability on Acceptances		6,241,049.91
Other Assets		331,176.96
		$157,274,662.43

LIABILITIES

Deposits—Demand	$132,398,079.36	
Deposits—Time	3,704,254.32	$136,102,333.68
Acceptances	$ 6,739,877.27	
Less Own Acceptances Held in Portfolio	481,483.57	6,258,393.70
Accrued Interest, Expenses, etc.		193,762.64
Reserve for Contingencies		1,294,007.19
Capital	$ 2,000,000.00	
Surplus	11,426,165.22	13,426,165.22
		$157,274,662.43

There are Pledged to Secure Public Monies U. S. Government Securities Par Value $900,000.

PARTNERS

Thatcher M. Brown E. R. Harriman
Moreau D. Brown W. A. Harriman
Prescott S. Bush Ray Morris
Louis Curtis Knight Woolley

FACILITIES

Complete Facilities for Domestic and Foreign Banking
Deposit Accounts • Loans • Acceptances Commercial Letters of Credit
Brokers for Purchase and Sale of Securities
Investment Advisory Service.

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Charles F. Breed
Alister C. Colquhoun
*H. Pelham Curtis
*Charles W. Eliason, Jr.
Stephen Y. Hord
Howard P. Maeder
Thomas McCance
Ernest E. Nelson
*Donald K. Walker
*John C. West

Assistant Managers

Merritt T. Cooke
William A. Hess
Joseph R. Kenny
Joseph C. Lucey
Edwin K. Merrill
Arthur K. Paddock
Arthur R. Rowe
L. Parks Shipley
Eugene W. Stetson, Jr.
Bentley W. Warren, Jr.
Harry L. Wills

George E. Paul, *Comptroller* Arthur B. Smith, *Auditor*

**Now in Government Service.*

Licensed as Private Bankers and subject to examination and regulation by the Superintendent of Banks of the State of New York and by the Department of Banking of the Commonwealth of Pennsylvania. Subject to supervision and examination by the Commissioner of Banks of the Commonwealth of Massachusetts.

Consumers Power District Litigation Clarified

The matter of the pending litigation involving the local tax liability of Nebraska Public Power Districts in relation to its possible effect on bonds of the Consumers Public Power District is the subject of a memorandum issued Oct. 1 by John Nuveen & Co., Chicago. The bond house prepared its analysis in response to numerous inquiries emanating from holders of the district's bonds. We quote from the memorandum in part:

The ultimate decision in this case, whichever way it is finally determined, will not materially affect the operations of the Consumers Public Power District, notwithstanding that the Consumers District is created under the same law as the Platte Valley District, because the Legislature has already fixed the tax liability of the Consumers District. The Consumers District was organized and its bonds issued subsequent to the 1939 amendment to the Public Power District Law, which provides that when a public power district purchases the property of an existing privately owned utility, or purchases real property from a private owner other than a privately owned public utility, the district is required to pay out of its revenue annually "in lieu of taxes" for State, county, city, village and school purposes a sum equal to the amounts paid by such private owner in the year immediately preceding such purchase. The Platte Valley Public Power and Irrigation District, as well as the two other hydro districts and several rural electrification districts, constructed electric facilities, instead of purchasing existing facilities. Under the terms of the 1939 amendment to the Power District Law, no provision was made by the Legislature fixing liability for payments "in lieu of taxes" of such districts where facilities were constructed instead of purchased from a private utility company, except on the small amount of real property which they have purchased from private owners.

The Consumers District, pursuant to provisions of this 1939 amendment to the law, and under the terms of its various bond resolutions, is now making such payments, which payments represent the same amounts heretofore paid by private owners as both real estate and personal property taxes. Therefore, inasmuch as substantially 100% of the property of the Consumers District was purchased from privately owned utilities, any amount of personal property which would be liable for taxes is negligible, in the event Judge Tewell's decision of July 18, 1942, should be upheld by the Nebraska Supreme Court.

Illinois Plans $25 Million Debt Cut

The State of Illinois will effect a $25,978,000 reduction in its outstanding debt between now and the end of 1944, according to George B. McKibben, Director of Finance. As a result of these payments, the total debt will be lowered to $115,017,500, the lowest level in at least 15 years. The State closed its 1942 fiscal year with a bonded debt of $144,411,500, as contrasted with the total of $213,298,000 which prevailed at the end of 1936 fiscal period. The latest report of the State Treasurer disclosed a bonded debt on Aug. 31, 1942, of $140,995,500.

Mr. McKibben confidently predicted that the State would have funds available to meet the $25,978,000 in bonds maturing to the close of 1944. He also said that no new financing was in prospect in the future, pointing out that the State has been operating on a pay-as-you-go basis and had created a general fund cash balance of more than $47,000,000.

Maturities facing the State between now and the end of 1944 include the remaining $6,179,000 of an original $55,000,000 soldiers' compensation issue, the remaining $5,200,000 of an orginal $20,000,000 emergency relief flotation $4,200,000 of the second emergency relief issue, and the $10,000,000 balance of a $60,000,000 4% highway flotation.

Mr. McKibben said the State's two highway issues and two emergency relief issues were paid from motor vehicle license and motor fuel taxes, and that retirement and interest of those obligations were a first charge upon those revenues. The State has another $96,000,000 issue of 4% highway bonds outstanding, but the next maturity on those obligations is March 1, 1945.

J. P. MORGAN & CO.

INCORPORATED

NEW YORK

Condensed Statement of Condition September 30, 1942

ASSETS

Cash on Hand and Due from Banks		*$185,462,847.32*
United States Government Securities, Direct and Fully Guaranteed		*403,675,163.50*
State and Municipal Bonds and Notes		*31,174,695.70*
Stock of the Federal Reserve Bank		*1,200,000.00*
Other Bonds and Securities (including Shares of Morgan Grenfell & Co. Limited)		*21,042,827.10*
Loans and Bills Purchased		*62,605,217.52*
Accrued Interest, Accounts Receivable, etc.		*2,363,507.47*
Banking House		*4,000,000.00*
Liability of Customers on Letters of Credit and Acceptances		*1,310,335.50*
Total Assets		*$712,834,594.11*

LIABILITIES

Deposits	*$657,170,897.40*	
Official Checks Outstanding	*12,122,606.42*	*$669,293,503.82*
Accounts Payable and Miscellaneous Liabilities		*914,867.47*
Acceptances Outstanding and Letters of Credit Issued		*1,310,335.50*
Capital	*$20,000,000.00*	
Surplus	*20,000,000.00*	
Undivided Profits	*1,315,887.32*	*41,315,887.32*
Total Liabilities		*$712,834,594.11*

United States Government securities carried at $60,203,096.56 in the above statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

Member Federal Reserve System
Member Federal Deposit Insurance Corporation

October 2, 1942

Illustrating the amount of money available for debt service, the finance director pointed out that retirement and interest on highway bonds in the fiscal year ended June 30 required only $9,440,000 out of total motor vehicle license revenue of $26,986,000. Likewise, he said, the reserve for emergency relief bonds took only $4.562,000 out of total motor fuel tax revenues of $47,654,000.

Mr. McKibben said it would take "drastic reductions" in motor vehicle license and motor fuel taxes to endanger payment of the principal and interest on the highway and relief bonds.

"Retirement and interest on soldiers' compensation bonds is a first charge on retailers' (sales) tax revenue," he said. "Only a minor fraction of the receipts from this tax are needed to service these bonds."

Florida Business At Highest Summer Level

Unofficial reports indicate that business in the State of Florida this summer has been at the highest levels known for the summer time, according to a current circular by Welsh, Davis & Co., of Chicago. The citrus season was the best in history, as was the cattle industry both as to quality and volume as well as price. Tobacco and cotton are selling at prices 50% to 60% above last year. Post office indices throughout the State are 10% to 100% ahead of last year.

Military establishments are in increasing number throughout the State, and more and more of the large hotels and clubs are being taken over by the services; for example, the Miami-Biltmore at Miami, the Bel-Air at Clearwater, the Boca Raton at Boca Raton, to name a few. These are in addition to the approximately 150 hotels taken over in Miami Beach.

Some hope is being entertained by natives that the coming tourist season will not be too bad, due to the possibility of Northerners going South for longer stays because of fuel oil rationing.

Decline In State Highway Income Halted

A leveling off in the rate of decline of State highway revenues in the last three months as compared with 1941 levels was noted Sept. 30 by Dun & Bradstreet in an analysis of receipts of 27 States. The group includes ten States in the area where gasoline now is being rationed and 17 unrationed States.

The survey said the leveling off was conspicuous in the case of the rationed States, whose highway revenues have shown only a negligible chance since June. It further pointed out that the decline in August shown by the unrationed States was slightly less than the decrease recorded in July, compared with the respective 1941 periods.

The company said the trend in revenues was far from stabilized, declaring that the effects of more drastic rationing imposed July 22 in the States already rationed would not be shown until September data was available. It added, however, that the added restrictions should not retard the leveling off process to any marked degree.

Highway revenues of the ten rationed States included in the survey showed a decline of 2.1% in June, compared with the same 1941 month. In July the decline was 23.9% and in August it was 22.4%. The 17 unrationed States showed an 8.7% decline in June, 14% in July and 13.5% in August.

Attention was focused on the fact that the rate of decline in the rationed States had been much greater than in the unrationed States.

The survey said that mileage restrictions to be imposed in the unrationed States would bring about a material change in overall trend. It said also that these restrictions would eliminate much of the divergence in the trends shown by the rationed and unrationed States.

Says N. E. States May Impose Sales Taxes

Some form of sales tax soon will be on the statute books of all New England States as partial compensation for heavy tax revenue losses from other sources, in the opinion of Henry F. Long, Massachusetts Commissioner of Corporations and Taxation. The sales tax, he said, probably will come in the form of a levy on the so-called consumption goods as liquor, cigarettes, soft drinks, and meals sold in restaurants and hotels. Every New England State must face "at least a 50% loss of gasoline tax revenues," according to Mr. Long. This large revenue loss, he continued, would not seriously upset the financial structure of any of the Northern States as "highway department costs will drop drastically and there will be at least a 25% reduction in welfare costs and a drop of about 15% in the costs of maintaining the school systems."

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over—short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

(Ed. Note—Very few municipal bond issues of major size are scheduled for award in the near future. With expenditures for local improvements held to bare necessities by the demands of war-time policies, the prospect naturally is that for some time to come the amount of new issues coming to market will be small.

OCTOBER 14

Eleven housing authorities have issued calls for bids until Oct. 14 on their series A bonds aggregating $22,269,000. Names of the issuers and the amounts of their respective offerings as well as other pertinent facts were published in the "Chronicle" of Oct. 5, on page 1198, in a report captioned "United States." The offerings of $500,000 or more include the following: $10,500,000 Pittsburgh Housing Authority, Pa., $4,300,000 Houston, Texas, $2,900,000 Hartford, Conn., $2,700,000 Dallas, Texas, and $520,000 Los Angeles, Calif.

Sales scheduled for Oct. 14 also include Schenectady, N. Y., bonds totaling $648,000. On Jan. 22 last the city awarded $589,000 bonds to a group headed by Glore, Forgan & Co., New York. Next highest bid was tendered by the Marine Trust Co. of Buffalo, and Barr Bros. & Co., in joint account.

Real Estate Price Average Continues Upward

The Amott-Baker Real Estate Bond Price Average, covering 200 real estate securities, continued its upward trend in September for the third consecutive month. The increase for September was 0.9% which compared with gains of 1.6% during August and 0.7% during July. On Sept. 30, the average price per $1,000 bond stood at $317 as compared to $314 on Aug. 31 and $302 at the close of 1941. The year-to-date gain for the averages was 4.9%.

It is significant to note that during September all classifications of issues showed improvement, Amott Baker & Co. stated, adding that only during the months of January and August in this year has such an over-all improvement previously taken place.

Of the 200 issues used in the survey a total of 80 increased in price, 27 declined and 93 remained unchanged during the month.

By cities results for the month showed increases of 0.8% in Boston issues, 1.7% in New York issues (this group comprises the largest sub-division), 0.6% for Philadelphia issues, 2.5% in Pittsburgh issues and 0.2% in a group of miscellaneous issues.

Year-to-date results by cities show the following advances: Boston issues 4.3%, New York issues 3.6%, Philadelphia issues 12.2%, Pittsburgh issues 11.7% and the group of miscellaneous issues 3.4%.

And in the classification by type of building, hotel issues still show the greatest year-to-date gain with an increase of 9.3%, the Price Average revealed, the gain for September being 0.8%. While apartment hotel issues increased 0.8% during September they still show a decline of 6% for the year. Office building issues increased 1.7% during the month bringing their total gain for the year to 7.2%. Apartment issues showed gains of 1.5% and 3.7%, respectively, for September and the year-to-date. The September gain in theatre issues was 0.7% and the increase for the year 6.7%. A group of miscellaneous issues showed a 4.3% increase for the year although there was no change in this group during September.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Oct. 5 that the tenders for $400,000,000, or thereabouts, of 91-day Treasury bills to be dated Oct. 7 and to mature Jan. 6, 1943, which were offered on Oct. 2, were opened on Oct. 5 at the Federal Reserve banks.

The details of this issue are as follows:

Total applied for, $773,618,000.

Total accepted, $400,572,000.

Range of accepted bids:

High, 99.924, equivalent rate of discount approximately 0.301% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

Average price, 99.907, equivalent rate of discount approximately 0.369%. (14% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 7 in amount of $300,056,000.

Is Your Business Vulnerable?

A Stock Retirement Plan financed by life insurance will assure the smooth passage of your business through the emergency resulting from the death of a stockholder.

Under this plan, the lives of stockholders are insured for the value of their respective holdings. Each agrees that in the event of his death, his stock will be transferred to the surviving stockholders, and his heirs will receive the proceeds of the insurance.

Thus the family of the deceased stockholder is fairly compensated. The survivors, whose interests in the business are increased in proportion to their present holdings, can continue without embarrassment.

A simple arrangement, isn't it? Yet what misfortunes have come from its neglect.

We suggest that you, as a stockholder, give serious thought to a Stock Retirement Plan for your own business enterprise. It goes hand in hand with efficient management.

A Massachusets Mutual representative will be glad to give you full information.

Massachusetts Mutual
LIFE INSURANCE COMPANY
Organized 1851
SPRINGFIELD, MASSACHUSETTS
Bertrand J. Perry, President

Hemingway Elected President Of ABA

(Continued from first page)

tion's Administrative Committee in order that the tradition of one year terms might be preserved. Acting affirmatively on their suggestion, the Administrative Committee recommended the acceptance of their resignations to the council in the following statement:

"'The constitution of the Associaiton places sole power for the election of officers in the convention. In the inability to hold a convention the guiding principle should be the fulfillment as nearly as possible of the last expressed intention of the convention. It has been the will of the Association expressed in repeated convention action that a succession to office be continued through Vice-Presidents. It would appear that the will of the convention would be best carried out by maintaining this succession. The committee therefore expresses the opinion that the gracious suggestion of the President of the Association and the Presidents of the Divisions to resign, making way for the assumption of office by the vice-presidents would best fulfill this purpose.'"

As is known the cancellation of the customary annual convention of the ABA, and the substitution therefor of a "Convention in Print" was decided upon by the Association this year in conformity with the efforts of the Office of Defense Transportation to limit war-time travel to a minimum. Some of the activities which were prepared for the Association's "Convention in Print" appeared in our Sept. 24 issue, the references thereto having been given in that issue on page 1065.

Upon his inauguration as President of the Association at the conclusion of the meeting of the Executive Council Mr. Hemingway pledged full support of the Association to the Government in its "program for winning the war."

"Our first objective is to help in every way possible the nation's program for winning the war. To that end we shall wholeheartedly and steadfastly support the Commander-in-Chief of our Army and Navy and pray God to give him the wisdom to understand, and the courage to discharge the heavy responsibilities that rest upon him.

"We shall continue to support the Secretary of the Treasury in his gigantic task of raising the money necessary for the successful conduct of the war. The banks are credited with having sold to the people 85% of all the war bonds that have been sold. Their interest in this vital activity will not lag. Rather, they will exert even greater efforts to sell these bonds. Furthermore, the American Bankers Association offers the facilities of its large, nation-wide organization in this campaign. We recognize that, after raising all the money he can from the public directly, the Secretary of the Treasury will still need additional enormous sums to pay for tanks, planes, ships, and all of the other material necessary to give us the best Army and Navy in the world.

"We want to say to the Secretary of the Treasury that he does not have to worry much about that problem because there is in this country a sound banking system. The banks can and will supply the money needed for purchasing more and still more Government obligations suitable for bank investment.

"Bankers more than any others know the evils of credit and currency inflation. We strongly endorse the measures that have thus far been taken to curb the vicious spiral of inflation, and we urge upon our Government that it follow through with rigid control over prices and all of the elements that enter into them.

"If the blood spilled in this terrible war is not to have been shed in vain it is essential that when the victory has been won a just peace shall be made. Such a peace depends for its realization on an understanding public opinion. As citizens and bankers we have a responsibility in this matter to the end that we may make our contribution to sound opinion and lasting peace. We shall use our facilities, our group and division meetings as forums for the discussion of our war aims and the kind of a world that we believe should come out of this terrible conflict. The return of our country to the ways of peace and the rehabilitation of the torn and bleeding countries of the old world involve questions of finance which are in our special field. As specialists in that field we offer our services in the building of a program for binding up the wounds of the prostrate nations and starting humanity again on its slow march toward a better life."

Mr. Hemingway, who is President of the Mercantile-Commerce Bank and Trust Company, St. Louis, is a native of Arkansas. He began his banking career as bank collector for the old German National Bank in Little Rock. In 1904 he became an Assistant Cashier of the Exchange National Bank in Little Rock and later served successively as Secretary and President of the Mercantile Trust Company of Little Rock. A sketch of his career further says:

"In 1919 Mr. Hemingway went to St. Louis to become Vice-President of the National Bank of Commerce in that city. There he organized and became head of that bank's investment affiliate, the Federal Commerce Trust Company. When the National Bank of Commerce was merged with the Mercantile Trust Company in 1929 he became a Vice-President of the continuing institution. One year later he was elected Executive Vice-President of the bank and three years after that was elected President.

"Mr. Hemingway has long been active in bankers association work. He served two terms as President of the St. Louis Clearing House Association, has been a member of the Board of Directors of the Association of Reserve City Bankers and a member of the Commerce and Marine Commission of the ABA. At the present time he is a member of the Administrative Committee, the Finance Committee, the Executive Council and the National War Loans Committee of the American Bankers Association, and is a member of the Board of Regents of The Graduate School of Banking of the ABA. In 1941 he was elected First Vice-President of the Association, and in 1942 he became President.

"During the World War Mr. Hemingway served as Chairman of the Liberty Loan Committee for the state of Arkansas. He assisted in setting up the St. Louis branch of the Reconstruction Finance Corporation and was Chairman of its Advisory Committee during 1932 and 1933.

"Mr. Hemingway has been actively engaged in the work of the St. Louis Chamber of Commerce over a long period of years and served as its Chairman during a two-year period, 1937-39. He has also been active in the affairs of the United States Chamber of Commerce and the International Chamber of Commerce, and attended the meetings of the International Chamber in Paris in 1920 and in Copenhagen in 1939. He has also been an active supporter of the work of the Governmental Research Institute in St. Louis, an organization dedicated to fact finding in the interest of more efficient government."

Mr. Wiggins, the new First Vice-President of the ABA, is a native of Durham, N. C. He received his A.B. degree from the University of North Carolina in 1913.

Upon graduation he went to Hartsville, S. C., as an assistant to the late David R. Coker with whom he was associated for 25 years. During that period he organized the business end of Coker's Pedigreed Seed Company and in 1920 became General Manager of J. L. Coker & Company Department Store. At present he is Vice-President and Managing Director of this corporation. Regarding his banking associations we quote:

"In 1920 Mr. Wiggins organized the Trust Company of South Carolina, becoming Vice-President and Managing Director. In 1941 he became President. He was made President of the Bank of Hartsville in 1932 after having served as Vice-President from 1921. He was President of the South Carolina Bankers Association in 1931-1932 and was elected by that association in 1932 to represent it in the ABA as State Vice-President from South Carolina. He was then elected for a three-year term as the member of the Executive Council of the ABA from South Carolina. In 1937 Mr. Wiggins was elected to membership on the Executive Council of the State Bank Division of the ABA and in 1940 was made Vice-President of the Division. He has been a member of the American Bankers Association Committee on Federal Legislation since 1936, serving as Chairman since 1938. He was a member of the ABA Administrative Committee in 1938-1940 and has been a member of the Executive Council of the ABA since 1935. In 1941 Mr. Wiggins was elected Second Vice-President of the Association, and in 1942 he progressed to the First Vice-Presidency. He has been a member of the Charlotte Advisory Committee of the RFC since it was organized and was Chairman of the Deposit Liquidation Committee for South Carolina."

Mr. Augustine, Treasurer of the ABA, was born in Richmond, Va., Nov. 16, 1885.

He entered the employ of the Merchants National Bank of Richmond in 1902 and during the next 10 years worked in all of the departments of the bank. In 1912 he was elected Assistant Cashier and in December, 1918, was made Vice-President. He retained the title of Vice-President for the next eight years, during which time the Merchants National Bank consolidated with the First National Bank under the name of the First and Merchants National Bank.

On Jan. 1, 1927, Mr. Augustine became a Vice-President of the National Shawmut Bank of Boston, which position he now holds. He is also Vice-President of the Hingham Trust Company, Hingham, Mass.; Director of the Melrose Trust Company, Melrose, Mass.; and Trustee of the Franklin Savings Bank of Boston. His further associations are indicated as follows:

"Mr. Augustine has taken an active part in both state and national bank associations during his banking career. In addition to serving on many committees of the Virginia Bankers Association, he served as Treasurer of the Association in 1916 and Secretary in 1919. He also served as Treasurer of the Massachusetts Bankers Association for the year 1933-1934 and has since held other offices on committees, commissions, or councils for the Massachusetts Bankers Association. He has also been active in the Reserve City Bankers Association since 1913, and was its President in the year 1928-1929. He has also held a number of committee appointments in the American Bankers Association, including several terms on the Executive Council. He was elected President of the State Secretaries Section in 1924, President of the Clearing House Section in 1928-1929, and President of the National Bank Division in 1936-1937. In 1941 he was elected Treasurer of the Association, and re-elected to that office in 1942."

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

The proposed transfer of the Exchange membership of Henry Brevoort Seaman to Samuel K. Harris will be considered on Oct. 15. It is understood that Mr. Harris will act as an individual floor broker.

Transfer of the Exchange membership of the late Edwin E. Bernheimer to Howard M. Ernst, who will continue as a partner in Ernst & Co., New York, will be considered by the Exchange on Oct. 15.

Transfer of the Exchange membership of Chester Dale to Carl H. Pforzheimer, Jr., who will continue as a partner of Carl H. Pforzheimer & Co., New York City, will be considered on Oct. 15.

Transfer of the Exchange membership of Moorhead C. Kennedy, Jr., formerly partner in Montgomery, Scott & Co., which will continue as a member firm, to Sherburne Prescott will be considered on Oct. 15. It is understood that Mr. Prescott will act as an individual floor broker.

Charles Stern, general partner in Stern Brothers, New York City, became a limited partner as of Oct. 1.

John M. Westcott withdrew from partnership in Carmichael & Carson, New York City as of Sept. 30.

Moorhead C. Kennedy, Jr. and Robert L. Montgomery retired from partnership in Montgomery, Scott & Co. as of Sept. 30.

MANUFACTURERS
TRUST COMPANY

Condensed Statement of Condition as at close of business
September 30, 1942

RESOURCES

Cash and Due from Banks	$ 334,502,993.48
U. S. Government Securities	449,103,424.24
U. S. Government Insured F. H. A. Mortgages	10,213,936.18
State and Municipal Bonds	30,224,840.26
Stock of Federal Reserve Bank	2,237,950.00
Other Securities	38,643,686.69
Loans, Bills Purchased and Bankers' Acceptances	305,236,224.74
Mortgages	15,277,218.54
Banking Houses	12,687,754.43
Other Real Estate Equities	2,497,688.10
Customers' Liability for Acceptances	2,976,827.52
Accrued Interest and Other Resources	3,550,713.50
	$1,207,153,257.68

LIABILITIES

Preferred Stock	$ 8,599,540.00	
Common Stock	32,998,440.00	
Surplus and Undivided Profits	43,913,049.15	85,511,029.15
Reserves		4,810,662.47
Common Stock Dividend (Payable October 1, 1942)		824,959.50
Preferred Stock Dividend (Payable October 15, 1942)		214,988.50
Outstanding Acceptances		3,195,630.00
Liability as Endorser on Acceptances and Foreign Bills		242,777.98
Deposits		1,112,353,210.08
		$1,207,153,257.68

DIRECTORS

EDWIN M. ALLEN *President, Mathieson Alkali Works, Inc.*
EDWIN J. BEINECKE *Chairman, The Sperry & Hutchinson Co.*
EDGAR S. BLOOM *President, Atlantic, Gulf and West Indies Steamship Lines*
LOU R. CRANDALL *President, George A. Fuller Company*
CHARLES A. DANA *President, Spicer Manufacturing Corp.*
ELLIS P. EARLE *President, Nipissing Mines Co.*
HORACE C. FLANIGAN *Vice-President*
JOHN M. FRANKLIN *New York City*
CHARLES FROEB *Chairman, Lincoln Savings Bank*
PAOLINO GERLI *President, E. Gerli & Co., Inc.*
HARVEY D. GIBSON *President*
JOHN L. JOHNSTON *President, Lambert Company*
OSWALD L. JOHNSTON *Simpson Thacher & Bartlett*
CHARLES L. JONES *President, The Jones-Atkinson Corporation*
SAMUEL McROBERTS *New York City*
JOHN P. MAGUIRE *President, John P. Maguire & Co., Inc.*
C. R. PALMER *President, Cluett, Peabody & Co., Inc.*
GEORGE J. PATTERSON *President, Scranton & Lehigh Coal Co.*
HAROLD C. RICHARD *Chairman, General Bronze Corporation*
HAROLD V. SMITH *President, Home Insurance Co.*
ERNEST STAUFFEN *Chairman, Trust Committee*
GUY W. VAUGHAN *President, Curtiss-Wright Corporation*
HENRY C. VON ELM *Vice-Chairman of the Board*
ALBERT N. WILLIAMS *President, Western Union Telegraph Company*

Principal Office: 55 Broad Street, New York City
68 BANKING OFFICES IN GREATER NEW YORK
European Representative Office: 1, Cornhill, London, E. C. 3

Member Federal Reserve System
Member New York Clearing House Association
Member Federal Deposit Insurance Corporation

Both Common and Preferred shares have a par value of $20 each. The Preferred is convertible into and has a preference over the Common to the extent of $50 per share and accrued dividends.

Post-War Cure For Regimented Economy Seen Present In Desire To Regain Economic Freedom

Both the desire and the ability on the part of our people to achieve freedom from necessary wartime economic restrictions in the post-war world were forecast by Donald Woodward, Research Assistant to the President of The Mutual Life Insurance Company of New York. He spoke before a meeting of the American Statistical Association in New York City. Outlining the three methods of economic regimentation now being imposed on the American people, he said these methods are necessary in order to close the "inflationary gap" between the diminishing supply of goods and the country's increased purchasing power. He cautioned, however, against "gloomy assumptions" that these controls would necessarily be carried over into our post-war economy, declaring that the seeds of the cure for regimentation have already been planted.

Mr. Woodward described the three methods of economic regimentation now in force as the compulsion of taxes and forced loans; taxation through inflation, thereby reducing the purchasing power of the dollar; and non-monetary controls such as rationing, allocation, price fixing, job freezing, subsidies, and direct conscription of labor and goods.

"Just as these three methods of regimentation to a war ecenomy entail of themselves a system of checks and balances which provides some hope for the avoidance of ruinous extremes of any one of them, so the three, acting upon the whole economy, generate a mighty force which at some later day will inevitably work for the modification, perhaps the elimination, of all three. The development of this force should not be overlooked in making projections into the future," Mr. Woodward said.

"Obviously, the very restraints themselves generate resentment and desire for their removal at the earliest possible moment when war requirements diminish to a degree which will permit that action. This desire for greater freedom and satisfaction by the whole American public may be amply sufficient to overwhelm any selfish group, any group which has a vested interest in their maintenance," he declared.

In addition to the desire for economic freedom, the ability to achieve it also exists, Mr. Woodward said. This ability, paradoxically, finds its source in war which requires regimentation, he said.

"The very cause—war—which requires all three methods of regimentation, is generating forces which should help to make possible the removal of restraints without a ruinous inflation inevitably following in the train of such relaxation," he declared, stating that the inflationary force of "emancipated money" after the war may meet with the "resistance of an almost Utopian cornucopia" as a result of plant expansion and technological advances.

"During this period, the productive capacity of the country is being enormously enlarged, by necessity," Mr. Woodward said. "The volume of new plant capacity completed or in process in connection with the war is equal to over 50% of the total plant capacity existing in 1940; in other words, the country will have increased its manufacturing capacity as measured by plant investment by one-half," he pointed out.

"Perhaps of even greater importance, almost incredible advances are being made in every direction in technology, and many ways found to improve efficiency. All may not be utilizable now, but methods of producing things, of transporting and handling and processing them are being developed which are cheaper, far cheaper than ever before. At the same time this nation is developing new sources of raw material. is developing independence of materials in an unprecedented manner.

"All this means that whenever money may be made freer in any relaxation of restraints, that whenever money again goes to seek goods and services, the economy will be able to supply them in a volume, at a speed and with a cheapness without parallel in all mankind's history. The inflationary force of emancipated money may, therefore, meet the resistance of an almost Utopian cornucopia," Mr. Woodward concluded.

Senate Opens Debate On New Tax Bill

(Continued from first page)

amount of corporate excess profits taxes will be refunded after the war.

"A last minute change in the tax bill as reported out by the Senate Finance Committee also provides that corporations may use their excess profits credit for limited payment of debts.

"A corporation under the Senate bill would be permitted to credit 40% of its debt retirement against its post-war reserve, but in no case could the credit for debt payment exceed 40% of the post-war reserve.

"When the subject of post-war reserves comes up for consideration in the Senate it is expected that a move will be made to provide that bonds issued to corporations evidencing their post-war reserves will be transferable and negotiable after the cessation of hostilities."

According to Washington advices Oct. 3 to the New York "Times" the Senate Finance Committee in reporting the largest tax bill in history made it plain that it was taxing income from future issues of local bonds and securities.

Prior to the opening of Senate debate, Secretary of the Treasury Morgenthau announced on Oct. 5 that the Treasury is working on a new tax bill to raise an additional $6,000,000,000 in revenue. Mr. Morgenthau told his press conference that he believes the pending tax bill will bring Federal revenues to $24,000,000,000 annually and that the Treasury's minimum needs are $30,000,000,000. Under present tax laws revenue collections amount to about $17,000,000,000. The Treasury estimates the yield of the pending tax measure at $7,000,000,000 but Congressional experts say the yield would be $8,000,000,000.

Mr. Morgenthau said the new proposals would be outlined to the tax committees of both branches of Congress "as soon as they are ready to receive them."

Senator George told the Senate on Oct. 6 that the nation's total tax burden next year would be $36,000,000,000, including $26,000,000,000 in Federal levies and $10,000,000,000 in State and local imposts. He estimated the national income at $110,000,000,000.

Previous reference to the tax bill was made in these columns Oct. 1, page 1173.

Mediators Withdraw From Strike Dispute

(Continued from page 1251)

ners, turned down a demand by the union for a contract providing a closed shop and salary increases of 15%.

"The office workers' demands were presented to the firm earlier in the day by Edward K. Flaherty, union business manager, who conferred at 11 a.m. with Harold Bache and his partners, Morton Stern and Clifford W. Michel. Mr. Flaherty said he was asked to return at 1 p.m. to enable them to confer with the head of the firm. At the second meeting the union leader said he was informed by Harold Bache that the firm would not grant the employees' demands.

"Mr. Flaherty then left the building and from an outside street telephone he informed one of the employees in the office of the firm's decision, thereby setting off previously arranged plans for the strike. . . .

"Commenting on the company's claim that a 15% wage increase had already been granted, Mr. Flaherty said that it was only restoration of a 15% wage cut of the previous year."

Ray Stephenson Dead

Ray W. Stephenson, a partner in Merrill Lynch, Pierce, Fenner & Beane, New York City, died Oct. 2, of coronary occlusion. He had been a director of the Guardian Life Insurance Co., the McCrory Corp., the West Indies Sugar Co. and the Harborside Warehouse Co. He was a trustee of the Lenox Hill Hospital.

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

Statement of Condition, September 30, 1942

RESOURCES

Cash and Due from Banks		$ 945,679,425.33
U. S. Government Obligations, direct and fully guaranteed		1,796,736,207.54
State and Municipal Securities		106,509,821.68
Stock of Federal Reserve Bank		6,016,200.00
Other Securities		170,401,433.52
Loans, Discounts and Bankers' Acceptances		808,539,599.99
Banking Houses		36,961,100.19
Other Real Estate		6,321,222.33
Mortgages		7,812,896.55
Customers' Acceptance Liability		2,485,821.00
Other Assets		12,492,223.56
		$3,899,955,951.69

LIABILITIES

Capital Funds:		
Capital Stock	$100,270,000.00	
Surplus	100,270,000.00	
Undivided Profits	44,108,907.24	
		$ 244,648,907.24
Reserve for Contingencies		11,991,067.86
Reserve for Taxes, Interest, etc.		3,787,860.82
Deposits		3,628,465,592.68
Acceptances Outstanding	$6,658,649.09	
Less Amount in Portfolio	3,763,257.91	2,895,391.18
Liability as Endorser on Acceptances and Foreign Bills		410,346.47
Other Liabilities		7,756,785.44
		$3,899,955,951.69

United States Government and other securities carried at $428,916,892.50 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

THE PUBLIC NATIONAL BANK
AND TRUST COMPANY OF NEW YORK

Main Office *37 Broad St.*

CONDENSED STATEMENT OF CONDITION

at the close of business, September 30, 1942

RESOURCES

Cash and Due from Banks		$57,410,611.68
U. S. Government Obligations		74,654,706.82
State, Municipal and Corporate Bonds		10,708,095.87
Loans and Discounts		79,329,055.96
Customers' Liability under Acceptances		742,925.84
Banking Houses		2,166,393.85
Other Real Estate Owned		90,143.66
Federal Reserve Bank Stock		420,000.00
Accrued Interest Receivable		439,424.13
Other Assets		68,554.58
Total		$226,029,912.39

LIABILITIES

Capital	$7,000,000.00	
Surplus	7,000,000.00	
Undivided Profits	4,466,522.84	18,466,522.84
Dividend Payable October 1, 1942		150,000.00
Unearned Discount		342,347.48
Reserved for Interest, Taxes, Contingencies		1,811,592.35
Acceptances Outstanding	$1,419,387.65	
Less: Own in Portfolio	629,718.75	789,668.90
Other Liabilities		131,769.28
Deposits		204,338,011.54
Total		$226,029,912.39

Securities with a book value of $14,171,404.25 in the above statement are pledged to secure public and trust deposits and for other purposes required or permitted by law.

MEMBER: N. Y. CLEARING HOUSE ASSOCIATION • FEDERAL RESERVE SYSTEM
FEDERAL DEPOSIT INSURANCE CORPORATION

29 Offices Located Throughout Greater New York

Calendar of New Security Flotations

OFFERINGS

LUKENS STEEL CO.

Lukens Steel Co. filed a registration statement with the SEC for $2,200,000 4¾% sinking fund debentures due 1952

Address—Coatesville, Pa.

Business—Steel manufacturer

Proceeds—Payment of bank loan

Registration Statement No. 2-5003. Form A-2. (5-29-42)

Company in an amendment filed Sept. 24 revised the list of underwriters of its proposed $2,200,000 4¾% sinking fund debentures with the amounts which each will purchase as follows:

Name	Amount
E. H. Rollins & Sons, Inc.	$900,000
Eastman Dillon & Co.	510,000
Whiting, Weeks & Stubbs, Inc.	250,000
Stroud & Co., Inc.	200,000
Graham, Parsons & Co.	150,000
Biddle, Whelen & Co.	100,000
Vallance & Co.	100,000
Boenning & Co.	50,000
Bond & Goodwin, Inc.	40,000

Offering price to the public will be 100 plus accrued interest from June 1, 1942.

Registration effective 5:30 p.m. EWT on July 28, 1942 as of 5:30 p.m. EWT July 12, 1942

Offered Oct. 8, 1942, at 100 and int. by E. H. Rollins & Sons, Inc. and associates.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SUNDAY, OCT. 11

DENVER CHICAGO TRUCKING CO., INC.

Denver Chicago Trucking Co., Inc., has filed a registration statement with the SEC for $400,000 debentures, 5%, maturing serially from 1944 to 1952, inclusive

Address—2501 Blake Street, Denver, Col.

Business—Operation of motor truck transport lines

Underwriting—Brown, Schlessman, Owen & Co., Denver, Col., is the principal underwriter

Offering—The issuer, a new corporation, upon the exercise of its option, will take over and carry on the present business of a partnership as an interstate carrier of merchandise by motor vehicle. The new corporation will acquire from the partnership all accounts receivable, motor vehicle equipment, rolling stock, real estate, franchises, etc. In consideration thereof corporation will deliver to partnership 4,000 shares of its capital stock, $1 par value, $250,000 of its debenture 5s and is also to deliver to the underwriter, on the order of the partnership, $150,000 of the debentures of the par value of $1,000 each, for the sum of $150,000 plus accrued interest to date of delivery. Corporation in normal course also assumes liabilities of partnership. The underwriter will purchase the partnership and the debentures from the partnership and the corporation and offer them to the public at prices ranging from 103.28% for the March 1, 1944, maturity to 100 for maturities 1948 to 1952, inclusive, plus accrued interest

Proceeds—The net amount to be received by the corporation will be used as working capital. Net amount received by partnership will be partnership funds distributable among the partners or usable for such purposes as the partners may decide

Registration Statement No. 2-5044. Form A-1. (9-22-42)

TUESDAY, OCT. 13

UNITED WHOLESALE DRUGGISTS OF ST. LOUIS, INC.

United Wholesale Druggists of St. Louis, Inc., has filed a registration statement with the SEC covering 4,000 shares of no par value common stock. Company was organized Aug. 11, 1942

Address—100 West Tenth Street, Wilmington, Del.

Business—It proposes to operate a warehouse at St. Louis. The corporation has been formed for the purpose of enabling distributors of United Drug Co. to have the benefit of purchases at wholesale of merchandise other than that sold by United Drug Co.

Underwriting—No underwriters named.

Offering—This offering of stock is not being made to all distributors of United Drug Co. products but is limited to those in the area economically served from St. Louis. Shares are to be sold at $50 per share for a total of $200,000 to the distributors of the products of United Drug Co. It is not contemplated that it will be necessary to borrow money. However, in the event a temporary loan is necessary pending receipt of funds to be raised from the sale of this issue, a loan not in excess of $50,000 may be made to the corporation by United Drug Co. At no time will there be over $200,000 raised from all sources. In the event such a loan is made it will be a form of a note for one year with interest at the rate of 3%. The benefits from such sales will be distributed to stockholders as dividends, monthly participations of earnings, and year-end checks of remaining earnings. Each stockholder will be allowed to increase his holdings as his merchandise purchases increase so he may hold stock proportionate to his purchases in order to receive his share of earnings

Proceeds—So far as determinable, the funds will be devoted in the amounts and to the purposes indicated, namely, to purchase of merchandise for sale to retail druggists $185,000, and to working capital $15,000

Registration Statement No. 2-5045. Form A-1. (9-24-42)

SATURDAY, OCT. 17

SOUTHERN UNION GAS CO.

Texas Southwestern Gas Co. has filed a registration statement with the SEC for Southern Union Gas Co. (the latter to be the surviving corporation in a proposed merger plan) covering 240,584 shares of Southern Union Gas Co. common stock, par value $1 per share. The name of the registrant will be changed in consummation of the merger plan from Texas Southwestern Gas Co. to Southern Union Gas Co.

Address — 1104 Burt Building, Dallas, Texas

Business—Primarily engaged as an operating utility company

Underwriting—E. H. Rollins & Sons, Inc., is the principal underwriter

Offering—Agreement of merger provides, among other things, that the survivor corporation shall offer approximately 240,584 shares of its common stock, par $1 per share, for subscription by holders of the presently outstanding common stock of Southern Union Gas Co., New Mexico Gas Co., and New Mexico Eastern Gas Co. at the price of $1.50 per share. Details of the merger plan have been filed with the Commission and previously announced

In addition to the securities to be issued in exchange for outstanding securities of the constituent companies involved in the merger plan, the details of which have previously been filed with the Commission and made public, the company will issue and sell for cash $3,650,000 of first mortgage sinking fund bonds, 3¾% series due Oct. 1, 1962

Registration statement reveals that E. H. Rollins & Sons, Inc., has advised the company that it has agreed to sell the bonds for the survivor corporation at a price equal to not less than 103¾% plus accrued interest, in such manner that there will not be involved any public offering of the bonds requiring their registration under the Securities Act of 1933. As compensation for its services in finding a purchaser, the banking firm is to be paid a commission of one-half of one per cent of the aggregate principal amount of the bonds

The banking firm also has agreed to purchase any unsubscribed shares of common stock offered to present shareholders of the constituent companies

Proceeds—The proceeds to be received by the survivor company from the sale of its bonds in the face amount of $3,650,000 and from the sale of common stock for cash and $250,000 of the proceeds from the Southern Union Production Co. loan will be used for the retirement of publicly held bonds and long-term debt of the constituent companies, to apply to working capital for the company and for reorganization expenses

Registration Statement No. 2-5046. Form A-2. (9-28-42)

SUNDAY, OCT. 18

ELASTIC STOP NUT CORP.

Elastic Stop Nut Corp. has filed a registration statement with the SEC for 50,000 shares of 6% cumulative convertible preferred stock (par $50) and 178,572 shares of common stock (par $1), to be reserved for conversion of preferred stock

Address—Union, New Jersey

Business — Manufacturer of self-locking nuts, etc.

Offering—After reclassification of securities, 50,000 shares of 6% cumulative convertible preferred stock will be offered first to holders of outstanding common stock, through warrants at $50 per share, unsubscribed portion through underwriters at $50 per share

Underwriting—White, Weld & Co. are named as principal underwriters

Purpose—May be used for redemption of 6% cumulative preferred stock (par $100), capital expenditures and working capital

Registration Statement No. 2-5047. Form A-2. (9-29-42)

TUESDAY, OCT. 20

MANHATTAN BOND FUND, INC.

Manhattan Bond Fund, Inc., has filed a registration statement with SEC for 1,000,000 shares of capital stock, par value 10 cents per share

Address—15 Exchange Place, Jersey City, N. J.

Business—Investment trust

Underwriting — Hugh W. Long & Co., Inc., Jersey City, is named as the principal underwriter

Offering—Date of proposed public offering is given as Nov. 1, 1942

Proceeds—For investment

Registration Statement No. 2-5048. Form A-1. (10-3-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

CENTRAL MAINE POWER CO.

Central Maine Power Co. filed a registration statement with SEC for $14,500,000 first and general mortgage bonds, Series M, maturing July 1, 1972; $5,000,000 ten-year serial notes, maturing serially on July 1 from 1943 to 1952, and 261,910 shares of common stock, par value $10 per share.

Address—9 Green Street, Augusta, Maine

Business—Company is an operating public utility and engages in the electric, gas and water business, entirely within the State of Maine

Underwriting—The bonds and the notes will be sold under the competitive bidding rule of the Commission. Names of underwriters and amounts and offering price to public will be supplied by amendment

Offering—Public offering price of the bonds and notes will be supplied by amendment. The 261,910 shares of common are first to be offered to the holders of the company's outstanding common stock and 6% preferred stock for subscription at $10 per share in accordance with their preemptive rights. New England Public Service Co. has subscribed for and agreed to take the 261,910 shares, less any shares as may be subscribed for by stockholders, and to pay therefor in cash at $10 per share provided the proposed merger becomes effective

Proceeds—Statement says that prior to the issue of the securities now registered, Cumberland County Power & Light Co., a public utility incorporated in Maine in 1909, will be merged into the company and Central Maine will thereupon acquire, pursuant to an agreement of merger, the business and all the rights, powers, etc., of Cumberland. After the merger has become effective, the business of the company will include also the business, franchises and properties of Cumberland, the separate existence of which will have ceased

Net proceeds from the financing in accordance with the merger plan recently filed with the commission will be used as follows:

Net proceeds of the series M bonds will be used to pay principal and premium in the redemption at 105% on Oct. 1, 1942, of $1,494,000 face amount of first mortgage, 4% series, due 1960, of Cumberland Power, $1,538,060; to pay principal and premium in the redemption at 105½% on a date in 1942 to be announced of $9,275,000 face amount first mortgage bonds, 3½% series, due 1966 of Cumberland County $9,784,348 and to pay bank loans made by the company which were incurred for the purchase and construction of facilities $2,650,000.

Net proceeds of the serial notes and the common stock will be used to pay par and premium in the redemption on a date to be fixed in 1942 of an unspecifed number of shares of 6% preferred stock and an unspecified number of shares of 5½% preferred stock of Cumberland County at 130% and 110%, respectively, all of which shares are to be called for redemption by Cumberland County prior to the proposed merger and converted under the agreement of merger into an obligation of the company to deposit the redemption price thereof in trust for the holders of such shares. The amount to be utilized in such redemption will be supplied by amendment.

Additional net proceeds from the sale of serial notes and common stock will be used to acquire 300 shares of the common stock and $6,000 face amount of 5% debentures of Aug. 1, 1936, due Aug. 1, 1956, of Nepsco Services, Inc., and 10 shares of common of Nepsco Appliance Finance Corp. $9,100 and to acquire all of the 650 outstanding shares of the no par capital stock of New England Pole & Treating Co. $110,000.

Balance of net proceeds of the series M bonds, the serial notes and common stock will be used to redeem at $120 per share or otherwise retire on or before Oct. 1, 1942, an unspecified number of shares of 7% preferred stock of the company and for the purchase and construction of facilities for the carrying out of the company's business.

Registration Statement No. 2-5024. Form A-2. (6-29-42)

Central Maine Power Co. on Aug. 5, 1942, filed a request with the SEC to withdraw trust indenture data in view of decision to sell the proposed issue of $5,000,000 10-year serial notes at private sale. On July 16, 1942, company filed an amendment with the SEC to withdraw the proposed notes from registration and such withdrawal was approved Aug. 19, 1942

Amendment filed Sept. 29, 1942, to defer effective date

ELLICOTT DRUG CO.

Ellicott Drug Co. filed a registration statement with the SEC for $350,000 6% debentures, due June 30, 1957.

Address—120 Cherry Street, Buffalo, New York

Business — Company is a cooperative wholesale drug company, selling to its members only, all of whom are retail druggists.

Proceeds — $250,000 of the debentures will be presently issued. Approximately $120,000 of this amount will be issued to replace the outstanding 6% preferred stock which is being eliminated. Approximately $48,000 additional will be issued to retire buying privilege deposits with the company The balance, approximately $78,500 after expenses, will become additional working capital

Offering—The new debentures will be priced at 100 and accrued interest

Registration Statement No. 2-5026. Form A-2. (7-7-42)

Amendment filed July 23, 1942 giving to members of the company only the privilege of exchanging the 6% cumulative preferred stock, par $50, for the debentures on a dollar for dollar basis or exchange for deposits made by non stockholder members.

Amendment filed Sept. 12, 1942, to defer effective date

(This list is incomplete this week)

Congressman Challenges Authority Of SEC To Apply Disclosure Rule To Municipal Bond Field

(Continued from page 1250)

ties Exchange Act of 1934, regulating over-the-counter market transactions, shows that it "was the definite intent of the sub-committee to exempt municipal securities completely from the regulatory power of the Commission." The proposed rule, he added, is "contrary to the obvious intent of Congress," and stated that he is prepared, if necessary, to ask for Congressional action in the matter.

The full text of Congressman Boren's letter is given herewith:

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D. C.

September 23, 1942.

Mr. Ganson Purcell, Chairman
Securities and Exchange Commission
Philadelphia, Pennsylvania

Dear Mr. Purcell:

I have served as a member of the Securities and Exchange sub-committee of the Interstate and Foreign Commerce Committee since 1937. If you will review the hearings on S. 3255 and H. R. 9634, which amended the Securities Exchange Act of 1934, regulating over-the-counter market transactions, you will find it was the definite intent of the sub-committee to exempt municipal securities completely from the regulatory power of the Commission.

Now, proposed rule X-15C1-10 comes to my attention. In this proposed rule the Commission assumes the power to set up a new class of exempted securities as distinguished from the exempted securities as defined by Congress.

In my judgment, the first fundamental in an approach to securities regulations is the recognition of the difference between public and private securities. For the six years in which I have served as a member of the sub-committee particularly studying securities problems, I have found no time in which any matter came up that was not a definite expression of intent on the part of the Congress to maintain the integrity of exemptions affected by your proposed rules as a unit class and there has never been the slightest supposition that the Commission could void that intent of Congress by breaking that class down into separate units.

Mr. Purcell, I want vigorously to protest the body and intent of the proposed rule referred to herein. I conceive it to be a positive evasion of a directive of Congress, and I feel that should the Commission believe conditions warranted any such rule, a recognition of the obvious intent of Congress in the law, and supplemented extensively in the hearings, should lead the Commission to come back to the Committee for such authority, if need existed.

Unless the Commission feels that it has facts with which to justify legislatitve authority to change this clear intent of Congress, then the proposal, X-15C1-10, should promptly be laid aside. If the Commission does feel that evidence not heretofore considered by Congress exists to justify such an alteration in the viewpoint established by the Congress on the subject, I am sure the Commission will find the Interstate and Foreign Commerce Committee open-minded to a consideration of the facts.

I will appreciate hearing from you on this subject because I must tell you frankly that, before I would see this method of destroying what I believe to be the clear intent of Congress, I would ask the Committee for a legislative directive to regulate such action.

With kindest personal regards, I am

Sincerely yours,
LYLE H. BOREN.

Inquiry By House Committee Into SEC Proposal To Change Proxy Rules Demanded By Kennedy

Recent protest was made to the House by Representative Martin J. Kennedy (Dem.) of New York against the new rules proposed by the Securities and Exchange Commission governing stockholders' proxies for corporate meetings on the ground that the changes would place an increased burden on corporations in preparing financial reports. Reporting Mr. Kennedy's objections thereto under date of Sept. 24, Associated Press accounts from Washington quoted him as saying:

"I am informed that the corporations at which these new requirements are aimed, state that it will be physically impossible to obtain and prepare by the required time the multifarious financial data which would be made part of the statements to accompany the notices of stockholders' meetings and the proxies.

"It seems to me that if any addition be made to the long list of reports and statements now required by the Government it should have a distinct, direct and helpful bearing on our war effort and should strengthen our hands for victory. If it does not do this, then common sense and even our nation's safety demand that it be deferred until the war ends."

In taking further exception to the SEC's proposals for the revision of its rules covering proxies, Representative Kennedy, according to the New York "Journal American" of Oct. 1 contended that the amendments "exceed the basis of the Commission's power." Mr. Kennedy's contentions were contained in a letter to Clarence F. Lea, Chairman of the House Interstate and Foreign Commerce Committee, which has under consideration amendments to the SEC acts. Regarding Representative Kennedy's presentments in his letter, the "Journal American" had the following to say:

"He asked that the Committee thoroughly investigate the subject and call Ganson Purcell, SEC Chairman, to explain contradictions between his testimony before the Committee and his recent public remarks on the need for revising proxy rules. Also, why, if proxy conditions are as bad as Mr. Purcell claims, he did not disclose this when he appeared before the Committee.

"In asking for revision of proxy rules, Mr. Purcell charged the 'proxy device has been sadly prostituted,' and that 'we see more and more today instances of management feathering its nest at the expense of its stockholders, as well as that of the government.'

"Any existing condition which is sufficiently serious to warrant such a derogatory statement by the SEC Chairman about corporate management," Mr. Kennedy wrote, "should be immediately and thoroughly investigated by our Committee for the purpose of:

"Determining why a condition of this nature was not disclosed during the recent Congressional hearings.

"Holding additional hearings to eliminate the condition if the disclosed facts show its existence.

"Correcting the improper denunciation of corporate management if the facts do not disclose such a condition."

Continuing, Mr. Kennedy wrote in the letter, copies of which were sent to every member of the Lea Committee:

"Information published in the press and business papers indicates a widespread feeling on the part of industrial management that the statement by Mr. Purcell is not true, that the proposed amendments far exceed the Commission's authority as specified in the statute, that many of the provisions are not workable, because they cannot be correctly interpreted, that they restrict the rights of investors and stockholders instead of extending them more protection, and that they would result in a vast increase in the amount of detailed accounting and other work at a time when depleted staffs are struggling with reports and production problems in connection with the current war effort.

In fact the general feeling of business executives, trade organizations, newspaper commentators, and attorneys and accountants is that the new proxy rules represent an extremely serious step in connection with the regulation of corporate activities.

"It is my suggestion that this unusual condition be thoroughly reviewed by the Committee at an early date and prompt action be taken to obtain from Mr. Purcell proof with respect to the conditions which prompted him to make the above serious statement, reflecting on corporate executives and the Commission to issue such drastic and far-reaching amendments under the classification of so-called minor changes in rules, particularly before our Committee has concluded its examination of the data presented at the recent hearings."

Insured Investment For Investors And Trustees

The United Building & Loan Association, 519 Garrison Avenue, Fort Smith, Ark., will be glad to send investors, trustees, and other fiduciaries interested in learning more about insured Federal Savings & Loan investments full particulars. Current dividend rate of 4% per annum.

Investment Trusts

(Continued from page 1255)

orandums for distribution, one on the Bond Series and the other on the Low-Priced Bond Series. These studies compare the average 1937 highs and the average "times charges earned" in that year for the bonds in each portfolio with their present prices and estimated earnings coverage. Here are the results:

*Bond Series	
1937—	
High	98.23
Fixed Charge Coverage	1.30
1942—	
High	67.98
Est. Fixed Chge. Coverage	2.60
*Low-Priced Bond Series	
1937—	
High	93.93
Fixed Charge Coverage	1.29
1942—	
High	58.90
Est. Fixed Chge. Coverage	1.83

*Figures are straight arithmetical averages on individual bond basis.

On Oct. 2, National Securities & Research Corp. sent a special bulletin to the list receiving its "Investment Timing" service, reversing the forecast of an intermediate downtrend made in the issue of the service published the previous day. According to this service, the intermediate trend is now up and, hence, conforms with the basic long-term trend which was forecast as being upward some time ago.

The Sept. 26 issue of "Brevits" contains a chart showing the divergent trends of the British and American stock markets since the last quarter of 1940. The London market recently made a new high for the entire war period and for several months prior to its outbreak, whereas the New York market is not far from its low. Comments "Brevits":

"The destinies of England and the United States are too closely interwoven to justify for long the market situation which exists. It is possible that the London market may come down to our level, but this seems improbable as it has already been exposed to the worst the war has had to offer, has weathered these adverse influences, and has rallied in face of them. That our market should trend toward higher levels seems the more reasonable prospect. It has been and is now discounting the unfavorable considerations."

Dr. E. W. Kemmerer, Princeton economist, has writeen a book, "The A B C of Inflation," which will be released for publication on Oct. 14. The current issue of the "New York Letter" gives a brief preview of the book, recommending it as "well supplied with simple and up-to-date charts" and "employing language which is surprisingly non-technical in the light of the subject discussed."

Dr. Kemmerer is Economic Adviser to Manhattan Foundation, Inc., the research organization which furnishes investment advice and assistance to the management of New York Stocks, Inc. and Manhattan Bond Fund, Inc.

"There might be a ceiling on corporate tax rates" suggests the current issue of "Selections," publication of the sponsors of Selected American Shares, Inc. "Among the recommendations of the Senate Finance Committee is one which limits the over-all income tax rate on a corporation to a maximum of 80% of total net earnings before taxes." Whether or not this particular figure becomes the actual ceiling for the duration of the war, the bulletin expresses the belief that the proposed rates are approaching a maximum practical limit.

The "National Investors Letter" of Sept. 28 discusses the emphasis placed by National Investors Corp. on growth companies. A "growth" company is defined as one which "should provide increasing possibilities for earnings and dividends extending over a period of years."

The first "Organization & Personnel" booklet to come to the attention of this column in some time is the new Keystone publication entitled "The Keystone Organization." Stressing the ten-year development of Keystone, the brochure is really a large-sized, handsome job.

Bldg. Issues Attractive

Issues on the Cleveland Terminal Tower Building offer very attractive possibilities at the present time according to an interesting circular issued by William J. Mericka & Co., Union Commerce Building, Cleveland, Ohio, and 29 Broadway, New York City. Copies of the circular, containing a brief summary of the plan of reorganization for the property, may be had from the firm upon request.

Our Reporter's Report

(Continued from first page)

A Full Schedule

Secretary of the Treasury Morgenthau, who was expected to make known today the details of his enormous $4,000,000,000 war financing program, has a full schedule on his hands at the moment.

The Treasury, according to those well-versed in the Government market, was expected to offer investors a choice of two types of security in the war financing, with an intermediate term bond and short-term notes anticipated.

Meanwhile he must provide for refinancing $1,507,000,000 of certificates of indebtedness due November 1, next, and at the same time roll over the usual weekly bill offering. The Government market, evidently closely guarded from all sides, maintained its stoic firmness in face of the huge impending issue.

In Lieu of New Issues

Up and going investment banking firms are not given much to griping about the dearth of new issues currently. On the contrary, those which are geared for the business, are more inclined to search around for opportunities such as that presented by the capital revision of Empire Gas & Fuel Company.

And the possibilities in that direction are receiving a good deal more than passing attention since bankers who handled the job of obtaining exchanges, or consents to the Empire plan found it a fairly lucrative business, judging by reports.

Under the operation of Section 11 of the Public Utility Holding Company Act, known as the "death sentence clause," many such opportunities should arise, it is argued, as utility groupings are revamped structurally, necessitating contact with millions of investors holding their securities.

Railroad Offering Near

The first piece of railroad financing in quite a spell came into the realm of early competititve bidding with the announcement by the Alabama Great Southern that it would ask bankers to tender bids shortly for a $9,500,000 issue of mortgage bonds.

Whatever happened to prompt the change in indicated plans, it had been the general expectation in informed quarters that the management had contemplated placing the issue privately with institutions.

Decision of the road to call for sealed bids doubtless removed the possibility of a protest by investment banking interests which had loomed if the bonds had been sold direct to investment interests.

McGoldrick On Municipals

Joseph D. McGoldrick, Comptroller of the City of New York, finds that the war is having favorable effect on the finances of many municipalities.

Speaking before the finance section of the American Life Convention in Chicago Tuesday, Mr. McGoldrick asserted that many cities are likely to find themselves in better financial position after the war than prior to it.

New bond issues, he pointed out, are at a minimum, while most cities are continuing to retire outstanding indebtedness without incurring new obligations.

He cited the case of New York City as an example, stating that some $50,000,000 to $60,000,000 of debt would be retired this year with new emissions relatively small in comparison.

UP-TOWN AFTER 3

PLAYS

"Strip For Action," by Howard Lindsay and Russel Crouse. Presented by Oscar Serlin, Howard Lindsay and Russel Crouse at the National, N. Y. With Keenan Wynn, Eleanor Lynn, Joey Faye, Jean Carter, Murray Leonard, Billy Koud and others.

New York has recently had an influx of burlesque shows tailored for the $4.40 trade rather than the followers of Minsky. But of all the recent arrivals "Strip For Action" is the best buy. Actually it's not a burlesque show as much as it is a burlesque of a burlesque. For it details life backstage in a road company burlesque outfit eager to put on a show for the soldiers. It shows the harried little stage manager putting the line girls through their paces, or appeasing the star stripper for the lack of proper musical accompaniment for her bumps. It's a fast show made up of corn and bits of originality all aimed at the funny bone. Written for laughs, it has a cast which knows how to get the most laughs per minute. The plot is built around an ex-burlesque comic, now a draftee, who invites his old pals to come to camp and put on a show for the boys. Characteristically, he neglected to get permission, a fact the troupe first discovers when in the throes of violent rehearsal, made more violent by the soldiers who invade the scene to date the girls. The private responsible for the mess, steals the major's car and, accompanied by his pals, goes A. W. O. L. and heads for Washington to see the Chief of Staff to seek official permission. How he gets it and what happens during and after is sidesplitting to see and hear. Messrs. Lindsay and Crouse have come up with another hit which can stand up alongside their "Life With Father" and "Arsenic & Old Lace."

"Hello Out There" and "Magic." Two plays; the first by William Saroyan, the second by G. K. Chesterton. Both staged and presented by Eddie Dowling at the Belasco, N. Y. With Eddie Dowling, Julie Haydon, John Farrell, Stanley Harrison, John McKee and others.

"Hello Out There" is a short play that sounds like an early Saroyan. It offers a scene full of drama and quiet intensity about a badly scared little man in a small Texas jail falsely charged with rape. In his fear he constantly calls out "Hello Out There" and is finally answered by a girl hired to cook and clean the jail. Both are lonesome and exchange confidences and make plans for life outside before a lynch mob breaks in and shoots him down. It's just a one acter, yet packs enough drama to fill a complete regulation play. . . . "Magic" is a revival of Chesterton's and like most of his work is wordy though at times brilliant. In the play an Irish conjurer plays upon people's emotions, fears and beliefs, or rather disbeliefs, of the supernatural. Of the two, "Hello Out There" is the better play. Dowling as the prisoner is magnificent. Miss Hayden as the lonesome girl of all work is pathetically realistic.

AROUND THE TOWN

With a war going on you'd think a "society" cocktail party to inaugurate the opening of a new bar would leave scarcely a ripple. That's what we thought until we dropped in to see what James McKinley Bryant, the perennial opener and closer of East Side bistros, had cooked up in the staid **Madison Hotel** on **East 58th St.** Well, Mr. Bryant, making like a Grover Whalen, was there behind a rope to say " . . . glad you came. There's the bar." And he was right. There it was; held up by a varied assortment of gentlemen who have a nose for "openings" plus an inordinate fondness for tippling, particularly when such tippling can be indulged in for nothing. Off in the distance Bob Knight, his electric guitar and orchestra, were playing to a crowd strangely shy of dancing. All the local wolves (both sexes) were out en masse. Even Wall Street was represented, though with things being what they are, not in its usual glory. Hollywood was present in chincilla coats which didn't fit and manners that did. Tommy Manville, carrying the banner of playboy No. 1, not to mention bags under his eyes and a bored blonde on each arm, was also there. Orson Welles, acting camera shy, was busy hiding behind pillars. The room itself is a plain squarish affair. Obviously it was never built to accommodate such goings on as Mr. Bryant (who writes songs, poems, not to mention four figure checks which no one in their right mind would think of cashing) arranged. The Army and Navy was also represented. A splattering of two stripers and at least one oak leaf. The waiters being unaccustomed to such brilliant company were either mixing their orders or falling over their feet. One of the waiter captains, it was early obvious, disagreed with the entire goings on. He peered at everyone with an expression reminiscent of a Hunchback of Notre Dame with acute digestion. The only spirits he couldn't dampen were the ladies of the demi monde who, for a change, were not only in out of the rain but making eyes at the willing but amateur Lotharios, each thinking it was their peculiar charms which was making the impression.

Pres. Signs Capital-Stock Tax Extension Bill

President Roosevelt signed on Sept. 30 the resolution extending until Nov. 28 the time in which corporations may file their capital-stock tax returns for 1942. As indicated in our issue of Sept. 24 (page 1087) these taxes were normally due on July 31, but the Treasury extended the period to Sept. 29. Representative Doughton, Chairman of the House Ways and Means Committee, stated that another 60 days' extension was necessary in view of a pending proposal to repeal the law. Congressional action on the bill appeared in our item on Page 1087.

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IBA Conference To Study Disclosure Rule

At the War Finance Conference of the Investment Bankers Association of America, to be held in New York City Oct. 19 and 20, it is pointed out by the Association, "the business of investment banking and of the Association, aside from war financing, will have such a short time on the program that the matters brought up will be important." "So, newwise," the announcement by David Dillman, Educational Director of the Association, states, "the War Finance Conference will be concentrated." This two-day War Finance Conference is replacing the usual five-day annual convention of the Association as we indicated in our Oct. 1 issue, page 1170, and is being held in New York to minimize travel, since a majority of the organization's members are located in Eastern financial centers.

In addition to the conference proper, there will be on Sunday, Oct. 18, national committee meetings and a meeting of the Board of Governors, open to all registered IBA delegates and alternates. It is noted in the Association's program that since the Securities and Exchange Commission's proposed bid and asked disclosure rule (X-15C1-10) is one of the most important subjects now before the investment banking business, it will be discussed at the Governors' executive meeting and the special committee on this rule will report.

The conference will conclude on Oct. 20 with an address by the incoming President, Jay N. Whipple, partner of Bacon, Whipple & Co., Chicago.

Mr. Dillman states that the Association is asking members outside of New York to schedule one of their regular business trips east to coincide with the dates of the conference and so permit their attendance without extra use of transportation facilities. Total attendance is expected to be large in view of the number of members in and around New York.

The program for the two-day meeting was given on page 1170 of our Oct. 1 issue.

Arthur Gwynne With Montgomery, Scott

Arthur C. Gwynne, formerly a partner in Jenks, Gwynne & Co., now in liquidation, and recently of Winthrop, Whitehouse & Co., has become associated with Montgomery, Scott & Co., 120 Broadway, New York City.

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Our Reporter On "Governments"

As this is being written, we have not yet heard the exact, complete details on this month's $4,000,000,000 issue, the largest financing operation since the days of the first World War. . . . We know we're getting two offerings, one a bond, one a short-term. . . . We know the market is going to be able to take the flotations, for it has been put in fairly good shape by the Federal Reserve authorities and the word has been passed around that support will be forthcoming on any indications of sloppiness. . . . The dealers are set. . . . The nation's big investors, banks and insurance companies, are ready to take down their major portion. . . . And as you read this, it may be taken for granted that you too are deciding how many of the new ones you'll subscribe for. . . .

To make sure that banks would be able to buy the bonds the Reserve System has just put through the third cut in Reserve requirements of banks in New York and Chicago. . . . The requirements of these two cities are now at 20%, equal to the bank requirements in other cities classified as "Reserve cities." . . . The banks now have the cash and they'll buy. . . . But when this one is over, the money situation will begin to tighten again. . . . And there is no question that a further cut in requirements for the country as a whole must come—and come soon. . . .

In fact, there's some doubt as to whether the board is following the proper policy in making its reductions so gradual. . . . A general reduction in requirements to expand the credit base of the nation's banks rather than just the credit base of banks in Chicago and New York may not be desirable from an anti-inflation viewpoint but it is desirable from a war financing viewpoint. . . . Some dealers think this move should have been made prior to the October deal to inspire buying interest and "take the market off the floor." . . . But it wasn't done, so we may anticipate a step in this direction later this month or early in November. . . .

There's one other point that demands attention at the start. . . . And that is the Treasury's persistence on "issue secrecy" until the very last moment. . . . Here it is, a few hours prior to the October borrowing and dealers still are guessing on the terms of the deal. . . . We have some clear ideas, of course. . . . We have the figures and the calculations to indicate what must be offered to guarantee success. . . . But they're statistics arrived at by private sources, not proffered by the Treasury. . . . Uncertainty is the keynote of the market prior to an offering these days . . . "dead center" markets are the rule until the last minute. . . .

Back in peace-time days, when a $500,000,000 borrowing was news and was to be expected only now and then, such uncertainty was to be taken for granted. . . . To prevent undue speculation, Secretary Morgenthau had to keep his issue plans secret until the last instant. . . . His policy was accepted as smart maneuvering, essential to holding down the subscription totals and fooling the multitudes of "free riders." . . . But today, that policy no longer makes as much sense. . . . On the contrary, among the most informed dealers and traders in the New York market, the conviction is growing that the lack of a definite, established policy for financing this most costly war in history constitutes one of the bad "gaps" in our war effort. . . .

Strong though these words may appear, the fact is obvious that the Treasury has not yet determined an over-all war financing program. . . . Borrowings are tumbling out, one on top of the other. . . . Every month, we get a tremendous financing deal—at one time, shorts, at another, longs, at a third, a mixture. . . . Already, there are 36 bond issues listed on the Treasury's outstanding loan calendar, 14 note issues, four guaranteed bond issues, four certificate of indebtedness issues, six short-term guaranteed issues. . . . In a few days, the total of 64 will be lifted again. . . . Just the size of the list is becoming disturbing, suggesting the variety of financing offers is reaching the unwieldy stage. . . . Until the last minute, Morgenthau (his advisers) and the Reserve Board's experts have no clear conviction on what securities to choose. . . .

Of course, this is the most difficult financing task ever placed in the lap of an American fiscal chief. . . . Never has any Treasury been faced with a borrowing job of such magnitude and delicacy. . . .

But we need a definite program. . . . We should have some hint as to what we're going to get more than an hour before we get it. . . .

PRELIMINARY SELLING

Talk to any Government bond dealer around your district and you'll get more information on this subject. . . . This is not criticism in a destructive sense. . . . It's not even criticism, for everyone understands the Treasury's difficulties and Morgenthau's hesitation to adopt a course that might be even faintly unsatisfactory is entirely natural under the circumstances. . . . But, according to authorities who know the Government market inside out, the time has passed for timidity in any form. . . .

If dealers had indications of what type of securities were to be offered, they could begin "building the market" for the offering long before the actual sale. . . . Preliminary selling could be of great aid in the actual distribution. . . . As for the buyers themselves, surely some clue as to a financing offer could be turned to good use in investment and directors' meetings prior to a Treasury flotation. . . .

Perhaps the only answer lies in a return to the system tried with such success in 1917-19, experts say. . . . A huge bond issue every few months is considered a worthwhile substitute for month-to-month approaches to the marts. . . . Were a plan of this sort to be attempted, the entire selling machinery of the country could be called into action and door-to-door placements could be built to huge totals. . . . Maybe a $10,000,000,000 issue every quarter plus now-and-then short-terms, designed for special buyers, would fill the need. . . .

Anyway, it's one idea that has not been given the public notice that it has received in private. . . . It's possible that the system may be forced on the Treasury despite its reluctance to make any changes at this time. . . .

ASTRONOMICAL FIGURES

The October offering will lift the Treasury's working balance to above the $6,000,000,000 mark, it is estimated. . . . Balance now is around $3,500,000,000, but at the rate of daily expenditures now, even the October reserve won't last long. . . . Expenditures per month now running above $4,000,000,000, will be up to $5,000,000,000 soon (just for war purposes). . . . Debt is above $90,000,000,000, is rising at a rate of $4,000,000,000 per month. . . .

Deficit just in the period from July 1 to the end of last month was $11,629,000,000. . . . Borrowings since July 1 have totaled $13,000,000,000. . . .

No, there's nothing easy about Morgenthau's task. . . . But he can't solve it by refusing to face the facts. . . .

INSIDE THE MARKET

Federal Reserve System has been actively supporting the market in last 10 days, particularly since announcement of borrowing for October. . . . Big purchases of the new 1¼% notes of March 15, 1945, reported by dealers. . . . Issue is being held at the crucial "par" level. . . .

Last borrowing of comparable size to this was the $6,000,000,000 issue of 4th Liberty 4¼s, due 1938/33, sold Sept. 28, 1918. . . . Subscribers were permitted to buy that issue on the instalment plan, with terms of 10% down on application; 20% on Nov. 21, 1918; 20% on Dec. 19, 1918; 20% on Jan. 16, 1919 and 30% on Jan. 30, 1919. . . .

Not much talk around of returning to instalment system for sales of bonds in this war, so probability is this method won't be adopted for some time, if ever. . . .

Sales of tax-anticipation notes going fine, with reports indicating $600,000,000 of the notes have been placed since new sale started Sept. 14. . . . Of this, $300,000,000 total is believed to have been placed in the New York area. . . . Victory Fund Committees now calling on certified public accountants for aid in distributing these notes. . . .

One story is Reserve authorities will have to create as much as $6,000,000,000 and maybe more additional funds for the nation's commercial banks in this fiscal year. . . . Ways to accomplish this are (1) reduction in reserve requirements generally; (2) open market buying of securities; (3) member bank borrowing. . . . First choice will get most attention over next few months. . . .

COMPARISONS

Some comparisons to throw into bold relief the institutional support being tendered to the Treasury these days. . . . Without the banks and without the tremendous support of other non-banking insitutions, such as insurance companies, financing of the war on any acceptable basis would be impossible. . . .

Excess reserves of all member banks have been slashed $3,170,000,000 in the last 12 months, from above $5,200,000,000 to $2,030,000,000. . . .

Excess reserves of New York City banks have plunged $1,620,000,000, from $1,830,000,000 to $210,000,000. . . .

In New York City, 16 banks have added $1,700,000,000 Governments to their portfolios, bringing the total to $8,740,000,000. . . .

All reporting member banks have added $6,180,000,000 to their portfolios, building the total to $20,588,000,000. . . .

Life insurance companies have bought $1,872,000,000 Government bonds in the year to date, against $584,500,000 purchases in the same 1941 period. . . . Government bonds have represented 57% of their purchases in this year, against 21½% in 1941. . . .

Group Named To Study SEC Proxy Changes

Proposed revision of the Securities and Exchange Commission's proxy rules will be studied by a group of five business executives with the SEC staff, it was announced on Sept. 28. The committee will function under the recent plan of cooperation on mutual problems affecting the SEC and securities industry.

Members of the group are: L. H. Brown, President, Johns Manville Corp., New York; Robert W. White, Vice-President, Secretary and Treasurer, Union Carbide & Carbon Co., New York; Edward Hopkinson, Jr., of Drexel & Co., Philadelphia; Charles S. Garland, of Alex. Brown & Sons, Baltimore; and Emil Schramm, President, New York Stock Exchange.

The Commission's summary of proposed proxy rule changes appeared in these columns of Sep. 10, page 893.

Interesting Situation

Brown Co. 5s, due 1959, offer interesting possibilities, according to a circular issued by Charles King & Co., 61 Broadway, New York City, from whom copies may be had upon request.

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and Internal Loans
Mexican Interest Arrears Cfs.
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M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
25 Broad St., N.Y. HAnover 2-8780
Teletype N. Y. 1-1397

Stein Bros. & Boyce To Admit Partners

BALTIMORE, MD.—Edward J. Armstrong, Allan L. Carter, Jr., and LeRoy A. Wilbur will be admitted to partnership in Stein Bros. & Boyce, 6 South Calvert Street, members of the New York Stock Exchange and other leading national exchanges, as of Oct. 15.

Mr. Wilbur has been with the firm for many years as manager of the investment department. Mr. Carter was formerly with Baker, Watts & Co.

US. ADM
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Final Edition THURSDAY **In 2 Sections – Section 2**

FINANCIAL The COMMERCIAL & CHRONICLE

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Text of Executive Order Providing For Stabilizing Wages, Salaries, Farm Prices, Etc.

President Roosevelt signed on Oct. 3 an Executive Order relating to wages, salaries, profits and farm prices, acting under the powers granted him by the cost-of-living stabilization bill which became law on Oct. 2.

The order establishes an Office of Economic Stabilization; sets forth a wage and salary stabilization policy, to be administered by the National War Labor Board; limits the prices of agricultural commodities and provides for preventing "exorbitant" profits and granting subsidies.

The text of the President's Executive Order stabilizing the cost of living follows:

Providing for the stabilizing of the national economy by virtue of the authority vested in me by the Constitution and the statutes, and particularly by the Act of Oct. 2, 1942, entitled "An Act to Amend the Emergency Price Control Act of 1942, To Aid in Preventing Inflation, and for Other Purposes," as President of the United States and Commander-in-Chief of the Army and Navy, and in order to control so far as possible the inflationary tendencies and the vast dislocations attendant thereon which threaten our military effort and our domestic economic structure, and for the more effective prosecution of the war, it is hereby ordered as follows:

TITLE I

Establishment of an Office of Economic Stabilization:

1. There is established in the Office for Emergency Management of the executive office of the President an Office of Economic Stabilization at the head of which shall be an economic stabilization director (hereinafter referred to as the director).

2. There is established in the Office of Economic Stabilization an Economic Stabilization Board with which the director shall ad-

(Continued on page 1269)

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

That thing which happened among the industrialists of Germany is definitely in progress in this country. I don't know how strong or dangerous it is, or how prevailing it will be. The fact is that I have travelled in several States recently and I find more and more industrialists and substantial business men feeling that they are licked and that the thing to do is to join 'em. I would say the most pronounced development I have encountered is first, the disinclination of substantial Conservative influences to give any money to the Republican campaign, and secondly, the number of them who are voting for New Deal friends and who make what they consider to be plausible arguments for doing this.

It is something I have long feared. Industrialists of Germany financed Hitler. Their thinking was that regardless of how radical he seemed to be he would not do anything to them. They were ahead of the game, more farseeing than their fellows; they would be close to the throne. Of course, they were liquidated along with the rest. Exhibit A is Industrialist Thyssen. It is always the same.

My favorite story which I have undoubtedly repeated a number of times, is that of the visit to Washington of the British radical economist, Harold Laski, who has little or no standing in Britain, his home country, but who, because of the gullibility of American editors, has come to have a standing in this country. His visit was four or five years ago. At that time he told the New Dealers they were silly to be challenging the business men and industrialists in their efforts to accomplish their revolution. This smart thinker said these groups were the most gullible and easiest of all the citizenry and that the thing for the New Dealers to do was not to fight them, but to take them into camp.

It was very shortly after this, that one noticed a change of attitude on the part of our make-America-overs. Indeed, the advertised motive behind their last spending bill before the war, the so-called spend-lease bill in 1939, was that it would help the railroads. Things have moved mighty fast since that time. Our industrialists, to be making money at all these days, are doing it from war contracts.

A pronounced change in attitude has unquestionably come on the part of any number of these fellows. For one thing, I get the impression that many of them made their last spree with Willkie. They contributed to any number

(Continued on page 1274)

Notice To Our Readers

Due to the constantly expanding volume of current news of paramount importance to business and industry, we are obliged, owing to space limitations, to divert to Section 1 a considerable amount of material which, under ordinary conditions, is usually contained in this section of the "Chronicle." In bringing this matter to the attention of our readers, we are mindful of our pledge to make every effort to increase the value of the "Chronicle" by reporting, without delay, all of the information essential to a thorough knowledge of the manifold changes in tax and other legislative matters originating in Washington, together with the activities of the many Government agencies whose functions are of increasing importance to the conduct of business in the present emergency.

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* These statistics omitted from "Chronicle" at direction of the War Censorship Board. (See notice on first page of Section 2 in Aug. 27, 1942, "Chronicle.")

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THE FINANCIAL SITUATION

Congress has enacted a so-called anti-inflation law which the President has been willing to accept with good grace. Its meaning will be, in actual practice, very largely what the President determines. Sweeping regulations under the new law have been promulgated, and machinery devised to administer them. Their specific intent in many situations must await future developments for clarification. But Washington has proclaimed, and perhaps large sections of the public believe, that "strong action" has now been taken which will be able adequately to cope with the danger of what is termed "inflation." It would be heartening indeed to us all if it were possible to accept this official (and possibly popular) view of the matter and regard the situation well in hand.

Many Infirmities

The fact is, however, that no such acceptance is possible to him who must "think things through" as the New Deal managers are so fond of saying. This new arrangement obviously suffers the infirmities of all efforts to deal with natural forces springing from the roots of human nature with a simple "thou shalt not," but it likewise has many other shortcomings. Its prohibitions are softened —indeed it is by no means clear that they are prohibitions at all—at a number of key points. The "deft" handling of the official regulations when they apply to farm products and wages is such that the thoughtful man will feel obliged to defer any attempt to say precisely what they mean until such time as experience with them lays a solid foundation for interpretation.

It is interesting, it may or may not be deeply significant, that almost simultaneously with the promulgation of the new regulations the War Labor Board approved higher wages in one important case and the Secretary of Agriculture issued doleful estimates of the difficulties alleged to be ahead of the farmer. Experience has already amply demonstrated the already obvious fact that raw materials off the farm and wages of labor are parts of the cost of production.

(Continued on page 1266)

Now, Let Us Have Less Scolding!

The President upon his return to Washington surprised many in his own Administration with his account of the war spirit of the American people.

Here, in part and in substance, is what he reported, according to the New York "Times":

The people of the country as a whole have the finest kind of morale and are very alive to the war spirit.

Only in Washington, D.C., is there less understanding of the war's problems. This can be found in three places: (1) Congress, by investigating war problems which its members, as laymen, cannot understand and by delaying action on the highly important anti-inflation bill; (2) the press, which, like Congress, doesn't seem to know the country, and especially an unfortunate minority of the press and radio columnists and commentators who sometimes tell what isn't so and are, thereby, doing infinite harm to the country and hurting the war effort; and (3) a great many people in the Administration, usually publicity-seekers, or four or five down from the top and therefore uninformed, who rush into print with stories that confuse the people.

Whatever may be thought of the reiteration of several of the President's pet charges, we may, it is to be hoped, look forward to less scolding in the future.

THE FINANCIAL SITUATION

(Continued From First Page)

Cause And Effect

But the real difficulty with the whole program is that it undertakes to deal with effects rather than causes. The authorities, faced by a situation in which many articles of ordinary consumption are, or soon will be, in very short supply, apparently have little or no interest in enlarging production of most of these goods, or if they have any such interest, they certainly do not translate that interest into action. On the contrary, they are forever talking about shortening supply still further. Confronted by quite exceptional demand for these goods they steadfastly refuse to take the steps obviously indicated to divert the funds which support this demand to war purposes. Rationing, if it is officially viewed as a means of controlling demand as well as of insuring an "equitable distribution" of such goods as are available, is again obviously an attempt to regulate an effect since the exceptional demand is itself a result of enormously larger wage payments throughout industry and trade. In any event, incidentally, it (even if effective enforcement is conceded) must inevitably fall far short of effective control of demand since the increase in public demand for most types of rationed goods now comes from groups which normally consume less than the "rations" now apparently in prospect.

The Outcome?

Now what must be the ultimate outcome of all this defiance of natural forces, and of long experience? Can it stop or prevent "inflation"? Obviously not. It really has nothing to do with inflation. Inflation has to do with the supply of money, or its equivalent, in relation to the goods available. The monetary and credit policies of the New Deal from the very beginning have given form and substance to the very essence of inflation. We entered the defense period and later the war period with inflation rampant. War financing is now beginning to pile Pelion upon Ossa. Probably, there is no generally feasible means at hand—with deep regret be it said—by which further inflationary distention of the banking situation can be avoided if we are to proceed vigorously with the enormous war effort we have undertaken. It could, we believe, be held within narrower limits than now appear likely, but that is about all that could be hoped for in the existing situation.

But there are dozens of popular conceptions of "inflation," and by that term as used in connection with this so-called cost-of-living law is apparently meant merely an exaggerated rise in prices, probably any further substantial increase in the general averages of prices. Can this new program be expected to prevent further price increases? If it succeeds in doing so it will without much question be the first time in history where anything similar to it has so succeeded in circumstances comparable with those now obtaining in this country. And if by chance prices are actually and effectively held under control as planned, what would happen to American business which must somehow keep the great majority of our people fed, clothed, housed and supplied with other necessities during the remainder of this war and, we hope, make possible the more abundant life when hostilities are over? Many things far worse than higher prices could easily happen to us during the remainder of this war.

What Is This?

Apparently the President himself does not have full faith in the control system he is establishing. Section 2 of Title V of his Executive Order reads as follows:

> The Director may direct any Federal department or agency, including, but not limited to, the Department of Agriculture (including, the Commodity Credit Corporation and the Surplus Marketing Administration), the Department of Commerce, the Reconstruction Finance Corporation, and other corporations organized pursuant to Section 5D of the Reconstruction Finance Corporation Act, as amended, to use its authority to subsidize and to purchase for resale, if such measures are necessary to insure the maximum necessary production and distribution of any commodity, or to maintain ceiling prices, or to prevent a price rise inconsistent with the purposes of this order.

One may well surmise, indeed, one must surmise, that the President foresees many situations in which the cost of producing and distributing essential goods will be in excess of prices consistent "with the purposes of this order," and in such instances the Government will itself be called upon to make good the difference between price and cost plus sufficient profit to keep the goods moving into the hands of consumers. But in what way would such a thinly disguised price rise be less harmful than the ordinary garden variety of price increase? Where would the Government obtain the funds? Obviously, since the Treasury is unable to raise sufficient funds to carry other expenditures regarded as essential to the war without calling upon the banks to create large quantities of new deposits, the answer is that funds for the purpose here under discussion must come from deposits (or fiat money) specially brought into being for the occasion. In the existing circumstances, any such "relief" as this must for the most part be set down as a subsidy to the farmer and the wage earner, since it will be to them that the higher cost of production must be paid. But, in any event, a subsidy to some factor of production is contemplated. When the war is over, will it be easier to correct this situation than it would be to readjust costs and prices had they been permitted to rise in the ordinary way?

What Are The Advantages?

What, then, is the advantage of this remarkable procedure? Certainly, there are many obvious disadvantages—among them the further intrusion of Government into fields it should never enter. Permit this procedure to be carried very far, and there may well be literally thousands of private enterprises in the land which are dependent upon government for their very lives—in addition, of course, to the many others which are now, or in any event are likely to be, in that position as a result of other causes.

We think that the approach to this problem of supply and demand for civilian goods should be of a wholly different order. Let the Government—and the rest of us—do whatever is necessary to restore the full 48 hour week throughout industry—which would supply the manpower now so badly needed. Let us plan to be as productive as humanly possible, not only in the armament field but elsewhere as well. Let us do whatever is necessary through taxation to direct the real war profits—extraordinary wage payments—into the war effort. Then, let us be very, very wary of price fixing anywhere. Nothing could persuade the authorities to consider such a program apparently, but it would save us much trouble both during the war and after.

The State Of Trade

Business activity reached a new high during the week of September 26th, according to the "Journal of Commerce" weekly index which advanced to a war peak of 129.5. Further expansion in petroleum runs-to-stills and steel operations offset small declines in electric output and Detroit industrial activity.

Electric power production for the week ended September 26th was 3,720,254,000 kilowatt hours as compared with 3,756,922,000 in the previous week and 3,273,376,000 in the corresponding week of last year, the Edison Electric Institute revealed.

The increase over last year was 13.7% as compared with a year-to-year rise of 14.8% in the preceding week.

Output in the Pacific Coast area increased 30% as compared with 28.9% the previous week. In the Southern States division there was an increase of 19.9%.

Carloadings of revenue freight for the week ended Sept. 26th, totaled 897,714 cars, according to the Association of American Railroads. This was a decrease of 5,385 cars from the preceding week this year, 22,080 cars fewer than the corresponding week in 1941 and 75,280 cars above the same period two years ago.

This total was 119.71% of average loadings for the corresponding week of the ten preceding years.

Freight carloadings in the fourth quarter of 1942 are expected to be 6% above actual loadings in the same quarter of 1941, according to estimates just compiled by the 13 Shippers' Advisory Boards.

The steel industry will boost operations 1.3 points this week compared with last week, to 98.6% of capacity, the American Iron & Steel Institute reported. This was accepted as further evidence of the success of the drive to "get in the scrap."

Earlier, the magazine "Steel" declared that the nation-wide drive "is achieving results." Effects are already being felt, the trade journal reported, with increased receipts ending imminent shortages in some areas and in a few cases permitting small accumulations.

Steelmakers also are relying on War Materials, Inc., the new agency just starting work, to pry large tonnages loose where the cost of salvage or clouded legal titles and other considerations have tied up reclamation.

Despite minor fluctuations, steel production last week held at 98% of capacity for the sixth consecutive week, the industry organ reported.

Engineering construction tops the $200,000,000 mark for the sixth time in the past eight weeks climbing to $203,321,000 for the period, according to the "Engineering News-Record." The week's volume is 82% above that reported for the corresponding week last year, and 37% higher than in the preceding week. Public construction more than doubles last year's total, and is 39% above a week ago as a result of 155 and 38% gains in Federal work. Private construction dropped 45% from the 1941 week, but is 20% higher than last week.

The current week's total brings the 1942 volume to $7,835,927,000, an increase of 58% over the construction reported for the 40-week period in 1941.

Private construction, $483,847,000, is 51% below the volume for the period last year, but public construction, $7,352,080,000, is up 35% as a result of 131% gain in Federal work.

The War Production Board estimated that the volume of all building and engineering construction scheduled for the war program in 1943, exclusive of shipbuilding, would drop by more than one third.

The strong upturn in retail trade continued as the outstanding feature of the general seasonal rise in business activity this week, according to the weekly review of Dun & Bradstreet, Inc. Sales of fall merchandise expanded faster than usual in all sections of the country, it reports. Although comparisons with a year ago were affected by the heavy "beat-the-tax" buying at this time last year, Dun's said, preliminary reports indicate dollar volume held close to the peak established by the pre-tax rush.

Department store sales on a country-wide basis were up 5% for the week ended Sept. 26th, compared with the same week a year ago, according to the weekly figures made public by the Federal Reserve System.

Department store sales in New York City declined 6% in the week ended Sept. 26th, compared with the like 1941 week, while apparel store sales fell off 9%, according to the weekly report of the New York Federal Reserve Bank.

With inflationary pressures now being multiplied, the need of more effective measures to control them is vastly increased, according to the monthly bank letter of National City Bank of New York. The survey points out that "it is the attitude in some quarters that the start on price control has been made in sufficient time," but adds that the only safe control of inflation "will include control of the cause, by absorbing the excess income."

Explaining that this country has been through two inflationry periods, the third of which we are now fighting, the survey points out that the current inflation is not duplicating either of the others.

"Reflecting the concentration of Government policy on control of prices," the bank continues, "the over-all commodity price advance and the rise in living costs so far have been less steep than during the last war. Stock market inflation is being escaped, chiefly, no doubt, because of the heavier taxes laid upon both corporations and individuals.

"Real estate values show little increase, in part because of rent controls and property taxes. Despite the high farm income, the experience of the '20s is still so vivid as to make another era of farmland speculation unlikely; in any event farm debts are being reduced, and the rise in land prices has been moderate.

"One area in which an inflationary rise greater than either during the last war or in the '20s is occurring in wages," the survey warns. It points out that since August, 1939, the average hourly wage rate in the industries, according to the Bureau of Labor Statistics, has increased by 34%, and the average weekly wage, reflecting longer hours and overtime rates, by 57%.

Sen. Norris To Run Again

Senator George W. Norris, Independent, of Nebraska, announced on Sept. 28 that he has accepted petitions asking him to become a candidate for reelection.

In a statement issued in Washington, the 81-year-old Senator said he was reminded by these petitions, "that my experience of 40 years has qualified me for the work that is to come in the Congress of the United States, not only to carry on the war, but to draft a satisfactory peace at its conclusion." He added:

"If, in the coming campaign, I should be defeated, I would feel that in effect it was a repudiation from my own people of all my 40 years of public service. If I were younger a defeat would not bother me very much but at my age, when it is known that this is the last fight I would ever make, it seems to me the approval of my like work is at stake."

Mr. Norris served in the House of Representatives from 1902 to 1913 and has been in the Senate since that time; he is now completing his fifth six-year term. He was a Republican until 1930 when he became an Independent.

Anti-Inflation Bill Gives President Broad Powers Over Prices, Wages, Salaries

President Roosevelt signed on Oct. 2 the bill to aid in stabilizing the cost of living. Congressional action on the measure had been completed earlier the same day (Oct. 2) when both branches adopted a conference report. The House originally passed the bill on Sept. 23 and the Senate in amended form on Sept. 30.

After signing the bill, the President issued the following statement with reference to the statute:

"The Congress has done its part in helping substantially to stabilize the cost of living. The new legislation removes the exemption of certain foods, agricultural commodities and related products from the price controls of the Emergency Price Control Act, with the result that I have today taken action to stabilize 90% of the country's food bill. It leaves the parity principle unimpaired; it reaffirms the powers of the executive over wages and salaries; it establishes a floor for wages and for farm prices.

"I am certain that from now on this substantial stabilization of the cost of living will assist greatly in bringing the war to a successful conclusion, will make the transition to peace conditions easier after the war, and will receive the wholehearted approval of farmers, workers and housewives in every part of the country."

The text of the anti-inflation bill follows according to the Associated Press:

AN ACT

To Amend the Emergency Price Control Act of 1942, to Aid in Preventing Inflation and for Other Purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that in order to aid in the effective prosecution of the war the President is authorized and directed, on or before Nov. 1, 1942, to issue a general order stabilizing prices, wages and salaries, affecting the cost of living; and, except as otherwise privided in this act, such a stabilization shall so far as practicable be on the basis of the levels which existed on Sept. 15, 1942. The President may, except as otherwise provided in this act, thereafter provide for making adjustments with respect to prices, wages and salaries to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities; provided, that no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on Sept. 15, 1942, unless it first gives thirty days notice to the President, or such agencies as he may designate and consents to the timely intervention of such agency before the Federal, State or municipal authority having jurisdiction to consider such increase.

Sec. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this act; and may exercise any power or authority conferred upon him by this act through such department, agency or officer as he shall direct. The President may suspend the provisions of Sections 3 (A) and 3 (C), and clause (1) of Section 302 (C), of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this act, but he may not under the authority of this act suspend any other law or part thereof.

Sec. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location and seasonal differentials) or, in case a comparable price has been determined for such commodity was inactive durcordance with the provisions of Section 3 (B) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

(2) The highest price received by such producers for such commodity between Jan. 1, 1942, and Sept. 15, 1942 (adjusted by the Secretary of Agriculture for grade, location and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use; and no maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefore equal to the higher of the prices specified in clauses (1) and (2) of this section: Provided, that the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commondity the price therefore specified in clause (1) of this section. Provided further, that modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since Jan. 1, 1941, the maximum prices so established will not reflect such increased costs. Provided further, that in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Provided further, that in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor.

Sec. 4. No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose or reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between Jan. 1, 1942, and Sept. 15, 1942; provided, that the President may, without regard to the limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

Sec. 5. (A) No employer shall pay, and no employe shall receive, wages or salaries in contravention of the regulations promulgated by the President under the act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(B) Nothing in this act shall be construed to prevent the reduction by any private employer of the salary of any of his employes which is at the rate of $5,000 or more per annum.

(C) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employe is required to work for seven consecutive days in any regularly scheduled work week.

Sec. 6. The provisions of this joint resolution (except Sections 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

Sec. 7. (A) Section 1 (B) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943," and substituting "June 30, 1944."

(B) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, in so far as they are not inconsistent with the provisions of this act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this act.

(C) Nothing in this act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that such provisions are suspended under authority of Section 2) or to invalidate any regulation, price schedule or order issued or effective under such act.

Sec. 8. (A) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts harvested after Dec. 31, 1941 and before the expiration of the two-year period beginning with the first day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90% of the parity price for the commodity as of the beginning of the marketing year:

(2) To cooperators outside the commercial corn producing area, in the case of corn, at the rate of 75% of the rate specified in (1) above:

(3) To non-cooperators (except non-cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60% of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(B) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, in so far as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

In the case of a commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (A), the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry to aid in the effective prosecution of the war.

Sec. 9 (A) Section 4 (A) of the act entitled "An Act to Extend the Life and Increase the Credit Resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941 (U. S. C., 1940 edition, supp. 1 title 15, sec. 713A-8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "During the continuance of the present war," and until the expiration of the two-year period beginning with the first of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that the hostilities in the present war have terminated.

(2) By striking out "85%" and inserting in lieu thereof "90%."

(3) By inserting after the word "tobacco" a comma and the word "peanuts."

(B) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such Section 4 (A), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such Section 4 (A).

Sec. 10. When used in this act, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employes by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to Sept. 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employes.

Sec. 11. Any individual, corporation or partnership or association wilfully violating any provision of the act, or any regulation promulgated thereunder, shall upon conviction thereof, be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or both such fine and imprisonment.

Amend the title so as to read: "An Act to Aid in Stabilizing the Cost of Living."

Passed the House of Representatives Sept. 23, 1942.

Attest: SOUTH TRIMBLE,
Clerk.

Passed the Senate with amendments Sept. 30 (legislative day, Sept. 21), 1942.

Attest: EDWIN A. HALSEY,
Secretary.

Rise In Cost Of Living Resulted Chiefly From Higher Food Prices, Board Finds

Three quarters of the rise in the cost of living from May through August has been the result of higher food prices, according to the National Industrial Conference Board. Controlled food prices declined fractionally during this period but this decrease was more than offset by a considerable rise in uncontrolled foods. Similarly, a slight upward trend in wholesale commodity prices is attributable to gains in products not subject to price control. In its advices under date of Oct. 2 the Board says:

"During the first month that the General Maximum Price Regulation was effective, the upward trend in the cost of living was checked, even though retail food prices continued upward. In July, however, the cost of living again advanced and by August was 0.8% greater than in May. At 98.1 for last August, the Conference Board's index (1923=100) showed a gain of 16.8% over August, 1939, and was 14.1% higher than in January, 1941, the 'base period' adopted in the 'Little Steel' decision.

"From the middle of May to the middle of August, uncontrolled foods advanced almost 10%, according to the Bureau of Labor Statistics. Controlled foods, however, declined 0.3% during this period. Of the 16.8% advance in living costs from August, 1939, through August, 1942, three-fifths was accounted for by a rise in food prices."

Presenting the record in some detail, the Board states:

"Assuming a constant market basket, the annual food bill of the average wage earner's family was $170 higher at August, 1942, prices than at August, 1939, prices. Compared with the annual average spent in the years 1934-1936, the food bill in August was $139 more. Thus, allowing only for changes in prices, 36.3% of the wage earner's total expenditures was required for food last August, as compared with 31.6% in August, 1939, and 33.7% in the mid-Thirties.

"The only other major item in the budget to absorb a larger proportion of total expenditures than three years earlier was clothing. To get the same amount and the same quality of clothing as in August, 1939, wage earners had to spend an additional $34. This meant that clothing constituted 10.4% of their total expenditures as compared with 10.1% at August, 1939, prices. This was, however, slightly below the 10.6% spent on the average in the years 1934-1936.

"The outstanding smaller-than-average gain was noted in housing. Following an advance from 17.5% of the total in the period 1934-1936 to 18.9% in August, 1939, the proportion was reduced to 16.6% in August, 1942. Assuming the same standard of living as in the mid-Thirties, the annual cost of these three items combined was $214 greater at August, 1942, prices than at prices for August, 1939, and $201 above the 1934-1936 average. Total living costs during these same periods increased $271 and $269, respectively."

The Board finds that in the wholesale markets, the uncontrolled commodities, though in the minority, also account for the fact that the current level of all commodity prices is higher than in March, 1942. It states that for the week ended Sept. 12, the BLS index of about 900 commodities (1926=100) stood at 99.2, the highest since the fall of 1929, as compared with an average of 97.6 for last March. About 80% of the commodities included in this index, it is added, are subject to OPA regulations. Eight uncontrolled commodities on Sept. 18 were 4.1% above their peak for last March and 86% higher than in August, 1939. The index of 20 controlled commodities, however, was 0.6% lower than in March and showed the smaller gain of 61% for the war period.

Safety Convention To Be Held In Chicago Oct. 27-29

The 1942 National Safety Congress and Exposition will be held at the Hotel Sherman in Chicago, Oct. 27-29. It is expected that this meeting will be the most important ever held because of the vital part which is being played by accident prevention in the war effort. Many important speakers are scheduled to address the Congress.

Fuel Oil Ration Rules Issued—Extra Allowance For Families With Small Children

The Office of Price Administration on Oct. 2 announced that families with small children—those under 4 years of age—will receive a fuel oil allowance of from 50 to 125 gallons, depending on their location, in addition to their basic ration under the new fuel oil ration plan. Also, homes with sickness will be afforded additional fuel allowances, as will those in which elderly persons reside. In both of the last two cases, however, a doctor's certificate will be required.

The supplemental allowance for families with small children will permit raising the temperature in a well insulated house to about 70 degrees in the space that must be occupied by children. The basic ration is designed to provide daytime temperature of 65 degrees.

Specific allowances for families with small children in the four zones are: Zone A, 125 gallons; Zone B, 100; Zone C, 75; and Zone D, 50. Zone A includes the northern-most and coldest section of the rationed area while the other zones have progressively warmer climates.

The allowance will not be increased for families with more than one child, under four, nor will the size of the house affect the size of the allowance.

Details of Regulations

General details of regulations affecting fuel oil dealers in the 30-state rationed area, soon to be announced by the OPA were also learned on Oct. 2.

Information which a dealer must have on hand, to include in Form 116 which will shortly be in possession of local rationing boards and which he must fill out, includes:

1. Inventories of his supplies as of Sept. 30, including oil in tank trucks.

2. Capacity of storage facilities, not including tank trucks or other movable containers, except in the case of dealers who operate from tank trucks and have no stationary place of business.

Dealers must make out these forms in duplicate. One form will be held by the rationing board and the other will be returned to the dealer.

Dealers must mail to each customer a statement covering oil deliveries from June 1, 1941, to May 31, 1942, the period to be used in computing the rationing base for the consumer.

The forthcoming regulations will include these rules and suggestions for the dealer:

1. From now until fuel oil ration sheets are issued to consumers, probably about Oct. 15, he should get a coupon note or other evidence of delivery from each customer he supplies. Within 15 days after the issuance of the sheets, he must collect coupons from the customer equal to these deliveries.

2. A dealer should use his "good judgment" making deliveries so that he doesn't give any customer more than he is entitled for the first of the five rationing periods which will be set up.

3. The dealer must see that the customer writes the coupon sheet serial number on each coupon before he accepts it.

4. He can accept an acknowledgment, instead of coupons, in cases where delivery is made (A) to the armed services or government agencies, or (B) to a factory for non-heating purposes such as for an industrial process.

5. A dealer must permit inspection of his records by the local rationing board on request.

6. The dealer may permit customers to deposit their ration sheets with them so that he can detach coupons in accord with deliveries.

Consumers will not be required to stand in line at registration places to qualify themselves for supplies this Winter under the rationing plan now in technical effect according to an announcement by the Office of Price Administration.

Persons who are eligible may expect to get their ration applications from dealers soon after Oct. 13, OPA stated. The forms, it was explained, should be filled out as soon as possible and mailed, or otherwise delivered, to a local War Price and Rationing Board, which will compute the ration on the basis of information supplied by the consumer and will notify when the coupon sheet is ready.

How To Get Ration Books

The Office of Price Administration on Oct. 5 issued a list of "musts" for fuel oil consumers in the 30 rationed States—four steps which should be taken at once to assure getting a fuel oil ration book. The steps are:

1. If you did not have an inventory of the fuel oil in your storage tank taken Oct. 1, do it now. Estimate your inventory on Oct. 1 from the present reading. This information will be required on a fuel oil ration application form which must be filled out and ready to turn in when you register.

2. If you have in the past obtained fuel oil from a regular dealer, he will probably mail you a fuel oil ration application and certification of your last year's purchases shortly after Oct. 15.

3. If you do not receive your application form from your dealer shortly after Oct. 15, you can obtain one from your local price and rationing board.

4. Measure the floor area of each room in your home. Do not include recreation room, closets, halls, basements, garages or sunrooms. Floor area figures will be required on your fuel oil application.

[See also "The Commercial and Financial Chronicle" of Oct. 1, 1942, page 1172.—Ed.]

Small Businessmen Are Confused, Says Davis

Elmer Davis, Director of the Office of War Information, told the Senate Small Business Committee hearing on Oct. 1 that "small business men seem ready to make their share of sacrifices but are critical of the Government methods involved in the imposition upon them of those sacrifices." Mr. Davis added that "it is the mode of application of Government policies requiring sacrifice rather than the implied sacrifice itself which causes complaint among many small business men."

Reporting on his remarks, Associated Press Washington advices said:

"In testimony prepared for the committee which is seeking to prevent failure of thousands of small firms unable to convert to war production, Mr. Davis pictured the small manufacturer, retailer and other businessmen as bewildered by the complexity and apparent contradictions of price-fixing, rationing and other wartime regulations.

This attitude, he observed, parallels the general public's disposition toward certain aspects of the Government's information policy.

"The OWI chief's report, which he said was based on information from business experts in Federal agencies, and from hundreds of interviews, showed that by and large most small business men in war production areas were sharing a boom, while in areas where the war exodus was marked there was a serious loss of retail patronage and of employees which most retailers were too weak to stand for a protracted period.

"A further decrease," he said, "may reasonably be expected in the forthcoming year as more small retailers are affected by shortages."

"Mr. Davis asserted that most small businessmen appeared to be exerting considerable effort to conform with Government regulations as far as they were able to comprehend them, and added:

"There emerges from the confusion, however, the prevailing opinion that price-fixing is a good thing, not only for the customer, but for them. Had it not been for price-fixing regulations, they frequently state, there would have been a runaway market which would have ruined many small retail businesses."

"Small wholesalers, brokers and service establishment operators, he said, generally had the same eagerness to co-operate, the same misunderstanding of the rules and the same unwillingness to believe so many rules necessary as the small manufacturers and retailers.

Many, he asserted, were unequal to the bookkeeping required by the regulations because of lack of ability and experience.

"They seem ready to make their share of sacrifices," he said, "but are critical of the Government methods involved in the imposition upon them of those sacrifices."

Transport Groups Named By Eastman

Joseph B. Eastman, Director of the Office of Defense Transportation on Oct 2 announced the formation of transportation advisory committees in Detroit, Philadelphia, St. Louis and Buffalo to collaborate with the field staff of ODT's divisions of railway transport and motor transport, on rail-truck co-ordination studies and railroad matters in general.

Similar committees are already functioning in Boston, Chicago, Memphis and Pittsburgh.

Membership of these committees, representing a cross-section of the shippers in their respective communities, is as follows:

Detroit—C. R. Schraff, Chairman, General Motors traffic association, General Motors Corp.; Allen Dean, manager, transportation bureau, Detroit Board of Commerce; Frank J. Armstrong, traffic manager, United States Radiator Corp.; Kenneth A. Moore, traffic manager, Automotive Council for War Production; Norman J. Brennan, traffic manager, Chrysler Corp.; Ferry A. Allen, traffic manager, Hudson Motor Car Co.; Oscar A. Johnson, traffic manager, Ford Motor Co.

Philadelphia — S. H. Williams, manager, transportation bureau, Philadelphia Chamber of Commerce; Joseph M. Lorek, general traffic manager, Philco Corp.; William A. Angus, traffic manager, Pennsylvania Sugar Co.; C. J. Goodyear, traffic manager, Philadelphia & Reading Coal & Iron Co.; Harry G. Schad, general manager transportation, Atlantic Refining Co.; H. F. Sixtus, traffic manager, Sloane-Blabon Corp., Trenton, N. J.

St. Louis, Mo.—Carl Giessow, director, traffic bureau, St. Louis Chamber of Commerce; Paul E. Conrades, President, Merchants Ice & Coal Co.; Walter A. Vahle, traffic manager, Monsanto Chemical Co.; A. T. Sindel, traffic manager, Merchants Exchange of St. Louis; H. F. Thompson, General Material Co.; Edward F. Ledwidge, general traffic manager, Granite City Steel Co., Granite City, Ill.

Buffalo, N. Y.—F. N. Schultz, traffic manager, Buffalo Slag Co.; W. B. Faulkner, traffic manager, Donner-Hanna Coke Corp.; Chester F. Hickey, general traffic manager, Curtiss-Wright Co.; W. R. Maloney, traffic commissioner, Corn Exchange, and Chairman Great Lakes Advisory Board; Harry Marsales, general traffic manager, Wickwire Spencer Steel Co.; George E. Griffith, traffic manager, Carborundum Co., Niagara Falls, N. Y.

Anti-Inflation Bill Empowers President To Stabilize Farm Prices, Wages, Etc.

Final Congressional action on the anti-inflation bill giving President Roosevelt broad authority to stabilize prices, wages and salaries came on Oct. 2 when the Senate and the House adopted a conference report. The measure was then sent to the White House that night (Oct. 2) and the President affixed his signature at 10:15 p.m. (EWT).

The completion of Congressional action came one day after the deadline of Oct. 1 set by the President in his Labor Day (Sept. 7) message. Mr. Roosevelt had warned Congress then that unless adequate legislation was passed by Oct. 1 to stabilize the cost of living he would act independently. This was referred to in our issue of Sept. 10, page 889.

The House agreed to the conference report by a standing vote of 257 to 22 and Senate approval came on a voice vote.

The legislation in its final form contained nearly all of the provisions of the Senate measure, passed on Sept. 30 by a 82 to 0 vote.

In general, the bill directs the President to issue an order before Nov. 1 stabilizing prices, wages and salaries at Sept. 15 levels but grants him wide authority to correct "gross inequities" in each instance.

In fixing maximum prices for farm commodities the President is directed to modify them when the ceiling prices fail to reflect the increase in the cost of farm labor and other agricultural expenses since Jan. 1, 1941. This was the most debated feature of the legislation. Under the House bill passed on Sept. 23 it was required that parity prices include all farm labor costs. The Administration voiced its "unalterable opposition" to revising the parity formula by including labor costs and the Senate on Sept. 30 decided on the compromise proposal stated above.

Maximum prices for farm commodities must not be lower than 100% parity or the highest price received by producers in 1942 up to Sept. 15, whichever is higher.

The measure as finally passed also puts a floor under farm prices, authorizing an increase in Government loans on major crops from the present 85% of parity to 90%.

No definite formula for limiting wage and salary increases was included in the bill as enacted but it provides that the President may "adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war."

The House had originally included in its bill the so-called "Little Steel" formula of permitting increases not to exceed 15% above Jan. 1, 1941 — an amount equivalent to the rise in living cost since that date.

However, the Senate rejected this proposal and the House agreed to the Senate provisions. It may be noted too that the Senate had tentatively decided on Sept. 29 to include in its anti-inflation bill a farm bloc amendment revising upward the farm parity price formula so as to reflect all farm labor costs. The vote was 48 to 43. However, it later substituted the Administration compromise proposal, providing that, after ceiling prices have been set, the President adjust them upward in line with increased labor costs, but without changing the parity formula. It was said that the effect of the higher parity formula would have been to raise the present parity level about 12%. It was estimated by the Office of Price Administration that it would add $3,000,000,000 to $3,500,000,000 annually to the over-all cost of living.

Previous reference to the anti-inflation bills and the President's opposition to revising the parity formula were noted in these columns Sept. 24, page 1093.

The text of the anti-inflation bill appears elsewhere in today's issue.

ODT Freezes Rail Pass. Schedules as of Sept 26

The Office of Defense Transportation on Oct. 1 issued an order freezing as of Sept. 26 all railway passenger schedules in the United States, in a sweeping move to intensify the conservation of passenger train equipment.

The order, which became effective Oct. 4, prohibits railroads, with certain exceptions, from running any special passenger trains or adding new trains to existing schedules, or running extra sections to regular trains unless such extra sections have been run at least 20% of the time during the past 90 days to handle the normal flow of business.

In addition no railroad may operate a passenger train which includes a car "chartered to, or the use of which by prior arrangement is restricted to an individual or group of persons travelling together." This does not apply to railroad business cars.

The order includes even mixed trains which carry both freight and passengers. It carries forward ODT's previously announced policy of restricting the use of passenger equipment for the transportation of crowds to football games, races and other sporting events.

Exempted from the order's provisions are:

1. Passenger trains or cars operated for the exclusive service of or through arrangements made by an agency or department of the United States.

2. Extra sections necessary to handle cars occupied by persons travelling under Federal orders or directions.

3. Passenger train schedules, cars or extra sections required as a result of emergencies arising from an accident, public calamity, military necessity or train delay, provided that the chief operating officer of the railroad concerned makes a report of such operation in writing within 48 hours to ODT.

The order further provides that the ODT may issue special or general permits to meet specific needs or exceptional circumstances arising from the war effort, or to prevent undue public hardships.

Accountants Contribute To Greater NY Fund Drive

Firms and employee groups in the accounting field have contributed a total of $49,354 to the 1942 campaign of the Greater New York Fund, according to a report by C. Oliver Wellington, President of Scoville, Wellington & Co., and a former President of the American Institute of Accountants, to John W. Hanes, Chairman of the Fund's 1942 campaign.

Mr. Wellington reported to Mr. Hanes that firms and employee groups in the accounting field have contributed to date (Sept. 17) a total of $49,354 to the Fund's current campaign. This sum represents $45,979 from firms and $3,375 from employee groups. Last year a total of $48,218 was raised, $45,721 from firms and $2,497 from employee groups. The Fund makes one appeal each year to business to raise money to help support 400 voluntary welfare and health agencies that assist 2,000,000 New Yorkers annually.

Savings & Loan League Names 1942-43 Slate

CHICAGO, ILL.—Nominated for the 1942-43 presidency of the United States Savings and Loan League, subject to balloting at the annual meeting in Chicago, Nov. 16, is Ralph H. Cake, Portland, Oregon, President for the past ten years of the $16,000,000 Equitable Savings and Loan Association. He is First Vice President of the national organization, of which Fermor S. Cannon, Indianapolis, is currently President.

Ralph H. Cake

John F. Scott

W. M. Brock

The report of the 1942 Nominating Committee of the League, presenting Mr. Cake's name, was made public this week, carrying the signatures of fifteen savings and loan managers from as many different states.

Picked by the committee for First Vice President is John F. Scott, St. Paul, Minnesota, President since its organization twenty years ago of the $21,000,000 Minnesota Federal Savings and Loan Association, originally chartered as the Minnesota Building and Loan Association.

W. Megrue Brock, Dayton, Ohio, President of the Gem City Building and Loan Association, is the nominee for Second Vice President, and Herman F. Cellarius, Cincinnati, Secretary of the League for the past forty-six years, has been nominated for re-election as Secretary-Treasurer.

The usual general convention at which League officers are chosen was cancelled some weeks ago and a skeletonized annual meeting in the form of a War Conference on Savings and Housing will be substituted for it. It will be attended by executives of leading associations including the official bodies of the League.

Mr. Cake carries numerous civic and financial responsibilities in his home city, and has served as President of the Rose Festival Portland's outstanding civic event. Since 1940 he has been Republican National Committeeman from his home state.

Active in the national organization of the $6,000,000,000 savings, building and loan business ever since he took over management of his present thrift and home financing institution, he has contributed along many lines. He was for four years chairman of the League's Advertising and Business Development Division, member of the Special Committee on Financing Low Cost Housing in 1941, and served on the Committee on Trends 1937-1940. He was elected Second Vice President of the League in 1940.

Executive Order For Stabilizing All Prices

(Continued from first page)

vise and consult. The board shall consist of the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Bureau of the Budget, the Price Administrator, the Chairman of the National War Labor Board, and two representatives each of labor, management, and farmers to be appointed by the President. The director may invite for consultation the head of any other department or agency. The director shall serve as chairman of the board.

3. The director, with the approval of the President, shall formulate and develop a comprehensive national economic policy relating to the control of civilian purchasing power, prices, rents, wages, salaries, profits, rationing, subsidies, and all related matters—all for the purpose of preventing avoidable increases in the cost of living, co-operating in minimizing the unnecessary migration of labor from one business, industry, or region to another, and facilitating the prosecution of the war. To give effect to this comprehensive national economic policy the director shall have power to issue directives on policy to the Federal departments and agencies concerned.

4. The guiding policy of the director and of all departments and agencies of the government shall be to stabilize the cost of living in accordance with the Act of Oct. 2, 1942; and it shall be the duty and responsibility of the director and of all departments and agencies of the Government to cooperate n the execution of such administrative programs and in the development of such legislative programs as may be necessary to that end. The administration of activities related to the national economic policy shall remain with the department and agencies now responsible for such activities, but such administration shall conform to the directives on policy issued by the director.

TITLE II

Wage and Salary Stabilization Policy:

1. No increases in wage rates, granted as a result of voluntary agreement, collective bargaining, conciliation, arbitration, or otherwise, and no decreases in wage rates, shall be authorized unless notice of such increases or decreases shall have been filed with the National War Labor Board, and unless the National War Labor Board has approved such increases or decreases.

2. The National War Labor Board shall not approve any increase in the wage rates prevailing on Sept. 15, 1942, unless such increase is necessary to correct maladjustments or inequalities, to eliminate substandards of living, to correct gross inequities, or to aid in the effective prosecution of the war.

Provided, however, that where the National War Labor Board or the Price Administrator shall have reason to believe that a proposed wage increase will require a change in the price ceiling of the commodity or service involved, such proposed increase, if approved by the National War Labor Board, shall become effective only if also approved by the director.

3. The National War Labor Board shall not approve a decrease in the wages for any particular work below the highest wages paid therefor between Jan 1, 1942, and Sept. 15, 1942, unless to correct gross inequities and to aid in the effective prosecution of the war.

4. The National War Labor Board shall, by general regulation, make such exemptions from the provisions of this title in the case of small total wage increases or decreases as it deems necessary for the effective administration of this order.

5. No increases in salaries now in excess of $5,000 a year (except in instances in which an individual has been assigned to more difficult or responsible work), shall be granted until otherwise determined by the director.

6. No decreases shall be made in the salary for any particular work below the highest salary paid therefor between Jan. 1, 1942, and Sept. 15, 1942, unless to correct gross inequities and to aid in the effective prosecution of the war.

7. In order to correct gross inequities and to provide for greater equality in contributing to the war effort, the director is authorized to take the necessary action, and to issue the appropriate regulations, so that, in so far as practicable, no salary shall be authorized under Title III, Section 4, to the extent that it exceeds $25,000 after the payment of taxes allocable to the sum in excess of $25,000. Provided, however, that such regulations shall make due allowance for the payment of life insurance premium on policies heretofore issued, and required payments on fixed obligations heretofore incurred, and shall make provision to prevent undue hardship.

8. The policy of the Federal Government, as established in Executive Order 9017 of Jan. 12, 1942, to encourage free collective bargaining between employers and employees is reaffirmed and continued.

9. In so far as the provision of Clause 1 of Section 302(C) of the Emergency Price-Control Act of 1942 are inconsistent with this order, they are hereby suspended.

TITLE III

Administration of Wage and Salary Policy:

1. Except as modified by this order, the National War Labor Board shall continue to perform the powers, functions, and duties conferred upon it by Executive Order No. 9017, and the functions of said Board are hereby extended to cover all industries and all employees. The National War Labor Board shall continue to follow the procedures specified in said Exexutive Order.

2. The National War Labor Board shall constitute the agency of the Federal Government authorized to carry out the wage policies stated in this order, or the directives on policy issued by the director under this order. The National War Labor Board is further authorized to issue such rules and regulations as may be necessary for the speedy determination of the propriety of any wage increases or decreases in accordance with this order, and to avail itself of the services and facilities of such State and Federal departments and agencies as, in the discretion of the National War Labor Board, may be of assistance to the Board.

3. No provision with respect to wages contained in any labor agreement between employers and employees (including the shipbuilding stabilization agreements as amended on May 16, 1942, and the wage stabilization agreement of the building construction industry arrived at May 22, 1942) which is inconsistent with the policy herein enunciated or hereafter formulated by the director shall be enforced except with the approval of the National War Labor Board within the provisions of this order. The National War Labor Board shall permit the Shipbuilding Stabilization Committee and the Wage Adjustment Board for the building construction industry, both of which are provided for in the foregoing agreements, to continue to perform their functions therein set forth, except in so far as any of them is inconsistent with the terms of this order.

4. In order to effectuate the purposes and provisions of this order and the Act of Oct. 2, 1942, any wage or salary payment made in contravention thereof shall be disregarded by the executive departments and other Governmental agencies in determining the costs or expenses of any employer for the purpose of any law or regulation, including the Emergency Price-Control Act of 1942 or any maximum price regulation thereof, or for the purpose of calculating deductions under the revenue laws of the United States or for the purpose of determining costs or expenses under any contract made by or on behalf of the Government of the United States.

TITLE IV

Prices of agricultural commodities:

1. The prices of agricultural commodities and of commodities manufactured or processed in whole or in substantial part from any agricultural commodity shall be stabilized, so far as practicable, on the basis of levels which existed on Sept. 15, 1942, and in compliance with the Act of Oct. 2, 1942.

2. In establishing, maintaining or adjusting maximum prices for agricultural commodities or for commodities processed or manufactured in whole or in substantial part from any agricultural commodity, appropriate deductions shall be made from parity price or comparable price for payments made under the Soil Conservation and Domestic Allotment Act, as amended, parity payments made under the Agricultural Adjustment Act of 1938, as amended, and Governmental subsidies.

3. Subject to the directives on policy of the director, the price of agricultural commodities shall be established or maintained or adjusted jointly by the Secretary of Agriculture and the Price Administrator; and any disagreement between them shall be resolved by the director. The price of any commodity manufactured or processed in whole or in substantial part from an agricultural commodity shall be established or maintained or adjusted by the Price Administrator, in the same administrative manner provided for under the Emergency Price-Control Act of 1942.

4. The provisions of Sections 3(A) and 3(C) of the Emergency Price-Control Act of 1942 are hereby suspended to the extent that such provisions are inconsistent with any or all prices established under this order for agricultural commodities, or commodities manufactured or processed in whole or in substantial part from an agricultural commodity.

TITLE V

Profits and subsidies:

1. The Price Administrator in fixing, reducing, or increasing prices, shall determine price ceilings in such a manner that profits are prevented which in his judgment are unreasonable or exorbitant.

2. The director may direct any Federal department or agency including, but not limited to, the Department of Agriculture (including the Commodity Credit Corporation and the Surplus Marketing Administration), the Department of Commerce, the Reconstruction Finance Corporation and other corporations organized pursuant to Section 5(D) of the Reconstruction Finance Corporation Act, as amended, to use its authority to subsidize and to purchase for resale, if such measures are necessary to insure the maximum necessary production and distribution of any commodity, or to maintain ceiling prices, or to prevent a price rise inconsistent with the purposes of this order.

TITLE VI

General provisions:

1. Nothing in this order shall be construed as affecting the present operation of the Fair Labor Standards Act, the National Labor Relations Act, the Walsh-Healey Act, the Davis-Bacon Act, or the adjustment procedure of the Railway Labor Act.

2. Salaries and wages under this order shall include all forms of direct or indirect remuneration to an employee or officer for work or personal services performed for an employer or corporation, including, but not limited to, bonuses, additional compensation, gifts, commission fees, and any other remuneration in any form or medium whatsoever (excluding insurance and pension benefits in a reasonable amount as determined by the director); but for the purpose of determining wages or salaries for any period prior to Sept 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees. "Salaries" as used in this order means remuneration for personal services regularly paid on a weekly, monthly or annual basis.

3. The director shall, so far as possible, utilize the information, data, and staff services of other Federal departments and agencies which have activities or functions related to national economic policy. All such Federal departments and agencies shall supply available information, data, and services required by the director in discharging his responsibilities.

4. The director shall be the agency to receive notice of any increase in the rates or charges of common carriers or other public utilities as provided in the aforesaid Act of Oct. 2, 1942.

5. The director may perform the functions and duties, and exercise the powers, authority and discretion conferred upon him by this order through such officials or agencies and in such manner as he may determine. The decision of the director as to such delegation and the manner of exercise thereof shall be final.

6. The director, if he deems it necessary, may direct that any policy formulated under this order shall be enforced by any other department or agency under any other power or authority which may be provided by any of the laws of the United States.

7. The director, who shall be appointed by the President, shall receive such compensation as the President shall provide, and within the limits of funds which may be made available, may employ necessary personnel and make provision for supplies, facilities and services necessary to discharge his responsibilities.

FRANKLIN D. ROOSEVELT.
The White House, Oct. 3, 1942.

FDR Ask $2.8 Billion More For Navy Planes

President Roosevelt asked Congress on Sept. 29 for an additional $2,862,000,000 for Navy airplanes needed for the prosecution of the war. This was the second large naval request made in a little over a week. The President asked for $2,731,154,307 in supplemental appropriations on Sept. 21, mainly for the Bureau of Aeronautics; this was referred to in our issue of Sept. 24, page 1094.

The supplementary appropriation bill placed before the House on Sept. 29 totaled approximately $3,520,000,000, the Navy plane request being the largest. Also listed in the estimate were $600,000,000 for war housing, $43,000,000 for the Treasury, $7,636,000 for the Federal Works Agency, $5.290.000 for the office of Defense Transportation and $1,435,000 for the Agricultural Department.

Predict Cotton Cloth Output At Record High For 1942

A new all-time production record of approximately 12,500,000,000 square yards of woven cotton cloth for the calendar year of 1942 is anticipated by the Association of Cotton Textile Merchants of New York, it was stated on Oct. 1 by W. Ray Bell, President of the organization. Such volume, it is added, would exceed by more than a billion square yards the War Production Board's estimate for last year (11,328,000,000 square yards). It is likewise pointed out that this is 4,000,000,000 square yards more than the average annual pre-war output from 1935 to 1939 inclusive.

According to Mr. Bell, cloth production can be measured fairly accurately by the spindle hour activity of the entire cotton-textile industry, which is reported monthly by the Bureau of the Census. The announcement from the Association goes on to say:

"For three-quarters of the year to date, total operations have been around 100,000,000,000 active spindle hours. Assuming the same relationship to cloth yardage as prevailed last year, it is calculated that production has already exceeded 9,300,000,000 square yards of all types of woven cloth. Maintenance of this rate during the final quarter is not fully assured due to increasing difficulties of labor supply and price restrictions but Mr. Bell relies on the producing genius of the industry to find a way, at least to keep a maximum flow to the war agencies and into essential civilian products, which together are expected to require three-fourths of the total yardage.

"Cotton consumption for the nine months exceeds 8,500,000 bales and should approach a total of 11,400,000 for the entire calendar year. This would mean a yearly gain in mill consumption of more than 1,000,000 bales over the previous peak of 1941, since relatively little cotton is currently going into the Government's mattress program, which used 320,000 bales last year. The pre-war (1935-1939) average consumption was 6,689,000 bales."

"The remarkable thing about this high rate of cotton-textile productivity," said Mr. Bell, "is that it has been accomplished concurrently with a substantial decline in facilities."

Mr. Bell further says:

"At the beginning of 1936 there were 29,000,000 spindles in place. Today, less than 24,000,000. The chief problem, however, is that of maintaining third shift operations at a time when manpower is being sought by everybody, from the Army down. The production gains are largely concentrated in fabrics directly related to war necessities and some product divisions will share relatively little, if at all, in the increased volume. More and more, the character of overall production is being determined by the perspective of war agencies. Chief example this year has been a substantial diversion from certain apparel and household goods to sheetings and osnaburgs for use in the fabrication of agricultural bags, and bags and other uses formerly supplied by jute burlap. Military and naval requirements for twills, drills and duck have been exceptionally large and prominent in the preferred classifications of product."

Education To A Peaceful Civilization Must Transcend National Interest, Says Frankfurter

According to Associate Justice Felix Frankfurter, of the United States Supreme Court, "if only we can bring sufficient good-will and resolute purpose to bear, the day need not be far off when the economic problem will take a back seat where it belongs and the arena of the heart and head will be occupied by our real problems—the problems of life and of human relations, of creation and behavior and religion.

The remarks of Justice Frankfurter were made on Sept. 30 at the inaugural of Dr. Harry N. Wright, as sixth President of the College of the City of New York. A member of the class of 1902, Justice Frankfurter contended that opportunities for education should not be permitted to depend on a "cash nexus." Social differentiation in formative years, he said, "inevitably creates barriers against instinctive democratic sensibilities." The New York "Times," from which we quote, in its account of his remarks also reported him as saying:

"To deny young people opportunity to equip themselves fully for their place in society merely because their parents lack financial resources, or for any other accident of irrelevant circumstance," he continued, "is to deny democracy itself. For it means nothing less than the denial to a democracy of the adequate use of its talents."

The same advices stated that Justice Frankfurter warned colleges and universities against lowering their academic standards, declaring that "to do so is no contribution to the war and a great disservice to the peace to come." He added also that "we cannot afford to economize in the essential of education." Post-war problems, he explained, could not be met "by impairing our intellectual and moral capital." From the "Times" we likewise quote:

"Colleges and universities are the special guardians of the free pursuit of truth because they are the professional pursuers of truth," Justice Frankfurter went on. "It was a sure instinct that made Hitler at the very outset burn books and seize the universities."

He said colleges must be aware that "the future depends not on the cautious hoarding of the potentialities of man but their stimulation and bold use." He continued:

"To have assumed that we could achieve security and decency by disassociating ourselves from the family of peoples which make the world, excepting for purposes of money - making, does credit neither to our heads nor hearts. Such self-destructive isolationism has partly been the result of faulty education and has partly influenced shortsightedness in education.

"Since neither nations nor men live unto themselves alone, education appropriate to a peaceful and gracious civilization must transcend national interests. It is necessary to know what goes on inside our own country and also to understand what goes on in other countries. An adequate education must promote the aspiration of civilized peoples everywhere, must view the relations of more advanced and less advanced peoples in a sympathetic manner and seek to bring them all into harmony.

"If I may take some liberties with what John Maynard Keynes has written, the world has the resources and the techniques if we would only create the organizations to use them, capable of reducing to a position of secondary importance the economic problems which now absorb our moral and material energies. Economics is not the whole of life. Very far from it. But on the fair and sensible control of economic forces depends the opportunity to pursue a civilized life. . . . .

"Let us not mouth 'that they shall not have died in vain.' It is an indecency to respond to the dedication of 'their' lives with empty words. The only possible way to insure 'they shall not have died in vain' is for us to see to it that they did not do so. And what we can do about it is of the same order as to see to it that we win this war."

The Associated Press in part indicated Justice Frankfurter as saying:

"Now that the fiery furnace of war is gradually cleansing us of our pathetic illusions, it is becoming clearer every day that the qualities on which our very existence depends, the qualities without which victory will be impossible, will be equally needed in the processes of peace.

"There may be still those, fed too much on stories of wizardry and miracle makers, who hope for somebody to invent a quick and easy way to win the war. But victory depends on courage, endurance, honor, self-discipline, unselfish devotion. And without these, though we cry 'Peace, peace,' there will be no peace.

"Too much we have gone on fissures in our spiritual structure, deeper ones than we had realized. Some of these must be repaired promptly for the more effective conduct of the war. The repair of others cannot be delayed long after peace comes."

Champ Tells Mtg. Bankers Inflation Peril Grows

Warning that the threat of serious inflation is growing hourly, Frederick P. Champ, President of the Mortgage Bankers Association of America, said on Sept. 30 that next year the American people will have $30,000,000,000 more income "than the value of the things for which the money can be spent" and that the extent to which bank credit is applied for raising Government revenue will have the same effect "as if that amount of money were printed and put into circulation to compete with existing money for whatever is for sale."

Mr. Champ made the opening address at the Conference on Wartime Mortgage Finance and 29th annual business meeting of the Mortgage Bankers Association of America at Chicago. Mortgage bankers, government agency officials, commercial bankers, title and trust and life insurance company executives and real estate men from all but a few states attended the three-day meeting which replaces the usual annual convention and which has been stripped of all non-essential activities.

The meeting was opened by Mayor Edward J. Kelly followed by introductory remarks by L. A. Clarahan, Vice-President of the Oak Park Trust and Savings Bank, and President of the Chicago Mortgage Bankers Association, and Charles A. Mullenix, Cleveland mortgage banker, and Association Vice-President. Following Mr. Champ's address, John B. Blandford, Jr., Administrator, National Housing Agency, Washington, D. C., spoke.

Mr. Champ told the mortgage men that their experience "with priorities, price controls, rationing and taxes is only a faint taste of what we shall be experiencing. Our standards of living will be largely suspended." He added:

"Historically, wars have been financed by inflation. With few exceptions all major wars have been accompanied by credit expansion and rising prices and wages, usually unevenly distributed. There are three sources to which the Government can turn to raise the billions it needs—taxes, savings and bank credit. The first two are safeguards against inflation because they decrease purchasing power. But there is a limit to which each can be used. There is much yet to be desired in balancing our system of taxation; in recognizing that the primary function of wartime taxation is to control prices; and in facing the need of not only reaching the middle and higher incomes, but in tapping the estimated $20,000,000,000 of excess wages being paid industrial war workers in the current year. In any case, taxes ought not be applied to the extent that it will prevent normal debt retirement or the building of reasonable corporate reserves.

"After taxation has been applied to the limit and maximum saving through investment in government securities has been brought about by patriotic appeal, or even by coercion, it is estimated that the Government will still have to find between $25,000,000,000 and $30,000,000,000 before June 30 next. To the extent that bank credt is used, the effect will be the same as if that amount of money were printed and put in circulation to compete with existing money for whatever is for sale."

Mr. Champ declared that this year 45% of all the nation produces will be bought by the Government, next year it will be half and there will be $30,000,000,000 more income than things to spend it for—representing the greatest inflationary gap the world has ever known. He praised the Canadian economic controls and said:

"Our Canadian neighbors have no 40-hour week and most of Canada's industry is on a 48-hour week schedule. The Canadian authorities are apparently convinced that price ceilings alone will not stop inflation so long as consumer incomes are larger than available civilian goods."

In fiscal 1942, Canada may pay 60% of its war bill in taxes, Britain over 50% while on the basis of tax proposals now under consideration in Congress, the U. S. may pay only 35% of its war bill from current taxation, Mr. Champ pointed out.

He criticized those "who are getting ready for the greatest depression in history" and said that if we are wise and courageous in meeting current problems of price control and taxation we may enjoy "our greatest economic development, our greatest world influence and our greatest social gains."

Price Praises Press On War Censorship

Byron Price, Director of the Office of Censorship, declared on Sept. 28 that the newspapers of the country have done a good job of "striking a balance" in handling war news under censorship but added they "have done a poor job of informing the people why some information has to be withheld."

"I suggest to you," said Mr. Price in an address before the annual convention of the Southern Newspaper Publishers Association at Hot Springs, Ark., "that a patient explanation of these requests and of the reasons behind them probably would foster confidence in newspapers by emphasizing the degree of their cooperation in the war and it might convince a greater number of readers that they should guard their own tongues more carefully."

With regard to his further remarks, the Associated Press reported:

Mr. Price said that while "the American people cannot be expected to fight the war in a vacuum, neither should they, nor will they when properly advised, want to see in print any disclosure which would endanger the life of a son or brother."

He said that a sentence written by Raymond Daniell of "The New York Times" "summarizes it all. It is simply this:

"'There isn't any story in the world that is good enough to justify risking the life of a single American soldier.'"

The basic consideration of censorship, he said, is "that none of us shall provide the enemy, by design or inadvertence, with information that will help him kill Americans."

Summarizing nine months' experience with voluntary censorship, Mr. Price declared some Americans felt that the system was "a feeble and futile method" while a large section of public opinion believed that more rather than less information should be printed.

Mr. Price gave the publishers examples of the benefits of voluntary censorship and disasters possibly resulting from apparently "unimportant" violations.

Announcement of the sinking of the aircraft carrier Lexington was withheld from the public for more than a month.

"Surely there is sense in the belief of naval experts that Japanese ignorance of the loss led Japan's admirals to overestimate the American force from which they turned tail and ran at Midway," he said.

Then there was a case in which details of the movement of a special train of oil cars was published for advertising purposes despite the fact that the code asked withholding of such information.

"A few days later a similar train bound for the same destination was wrecked and burned. No direct evidence of sabotage was discoverable. Maybe it was a mere coincidence," Mr. Price declared. "Maybe not."

Such information as the exact regiment in which a soldier is serving abroad, the training of special units, details of submarine attacks, exact data on the effectiveness of a topedo hit and premature disclosure of diplomatic discussions is banned because of the value of the information to the enemy or the deductions he could make from it, Mr. Price said.

OPA To Ration Rubber Boots And Work Shoes

The Office of Price Administration on Sept. 29 ordered frozen all sales and shipments of rubber boats and rubber work shoes effective at midnight Sept. 29 and lasting until Oct. 5, when rationing will begin. The freezing order was issued to prevent a buyers' run on the stocks now on hand and to give dealers time to take inventory.

The OPA said that, since most types of rubber footwear necessary for ordinary civilian use can be made from reclaimed rubber, they will not be affected by the rationing order.

Six types of men's rubber boots and rubber work shoes come within the scope of the order because they require a high crude rubber content. They include: Hip-height rubber boots, including all boots of hip, body and thigh heights; over-the-knee rubber boots, including "storm king" height; all heavy short rubber boots; all lightweight short rubber boots; rubber pacs and bootees ten inches or more in height, and rubber pacs, bootees and work shoes less than ten inches in height.

After Oct. 5 a certificate from a rationing board will be required for the purchase of boots and work shoes. Sales will be made only to men working on jobs essential to the prosecution of the war or to the protection of public health and safety.

This is the first rationing order affecting the wearing apparel field.

Corporations Restore Only Eighth Of Lost Savings—Reduced By $31 Billion 1930-38

American corporations as a group are just beginning to restore their savings upon which they drew heavily during the Thirties, according to the National Industrial Conference Board, New York. From 1930 through 1938 corporations drew upon their past savings to the extent of about $31,000,000,000, says the Board, which adds that during the past three years they have been able to restore only about $4,000,000,000, of which more than half was set aside in 1941.

According to the Board limitation of profits on armament production, renegotiation of contracts, higher corporate taxes, and rising production costs are currently contributing to a lower level of net earnings with the result that the net increment henceforth must be expected to be more modest than in the period of accumulation following World War 1 and hence less able to act as a potent recovery factor in future periods of retrenchment and readjustment.

The Conference Board's announcement further stated:

"Corporate disbursements, including dividends and taxes, exceeded its receipts over the years 1916 through 1940. At the end of the Twenties, corporations had accumulated almost $30,000,000,000 of business savings, which were in turn re-invested in equipment and inventory or used for working capital and the reduction of indebtedness. During the decade that followed, corporate receipts fell short of total disbursements by fully $31,000,000,000. At the end of 1940, the cumulative savings of all corporations over the entire quarter-century of operations had been overdrawn by $140,000,000.

"During this same quarter-century, corporate enterprise paid out over $92,000,000,000 in dividends to individual stockholders. From 1916 through 1929, they distributed about $53,000,000,000 in cash dividends. Such payments averaged $3,400,000,000 annually during 1916-1920, $3,300,000,000 from 1921 through 1925, and $5,200,000,000 during 1926-1929. During these years the equity of existing stockholders was also increased by about $30,000,000,000 through re-invested corporate savings. Over the depressed Thirties dividends again totaled almost $35,000,000,000, and were higher annually on the average than in the period 1916-1925. While dividends were maintained at this high level during the Thirties, corporate savings were negative to an almost similar extent.

"While corporate savings in 1941 of possibly $2,600,000,000 may have brought the cumulative record of savings into the black, the net increment henceforth under a lower level of earnings should be more modest than in the period of accumulation following World War 1. Even in 1941 corporate savings appear to have been fully $2,000,000,000 less than in the comparable war year of 1917.

"Corporations have been steadily decreasing the proportion of their earnings set aside as business savings. This is true whether compared on the basis of selected single years or five-year periods. During 1916-1920, almost as much was saved as was distributed to stockholders. From 1921 to 1929, undistributed income did not average 30% of earnings. Thereafter, during ten successive years of negative savings, dividends were distributed ranging from a low of $2,100,000,000 in 1933 to more than $4,000,000,000 in 1931 and 1937 and more than $5,000,000,000 in 1930. The latter undoubtedly reflected the judgment of business that favorable operations would be resumed shortly; an almost parallel relationship appears to have prevailed in 1921.

"In 1936 and 1937 the net earnings of corporations rose above $3,000,000,000 but the rate of dividend payments was boosted to as high a level as in the mid-Twenties and the draft upon corporate capital was further extended. Not until 1939 did corporate enterprise resume the practice of setting aside part of its annual product for internal expansion or as reserves for contingencies. In that year, positive business savings of $199,000,000 were recorded, or about one dollar of earnings held in reserve for every 20 distributed to stockholders.

"Again in 1940, further positive savings of $1,100,000,000 developed, but here, too, the proportion of these savings to earnings was lower than in the early and mid-Twenties. However, in 1941, fully a third of net income appears to have been retained by corporate enterprises. A record volume of transactions and output last year and the need for expansion of inventories and for greater working capital were undoubtedly factors necessitating the retention of a larger share of net earnings. Greater amounts were retained only during World War 1, and in 1919 and 1925. In each of these years, the amount distributed in dividends was considerably lower than in the year just closed."

High Labor Turnover Production Problem

A high and rising labor turnover in American industry, which is now becoming a serious war production problem, is almost as frequently a result of the loss of workers to higher-paid jobs in other plants as of induction into the military services, according to the National Industrial Conference Board, New York, which has just completed a study of the mobilization of the labor power of the nation in the war effort. Almost 85% of executives cooperating in the Board's survey report higher turnover, and nearly half attribute it chiefly to Selective Service and enlistments. But about two-fifths state that the attraction of larger weekly pay envelopes is the dominant factor. The Board also says that permanent deferments are urged by most executives for essential workers. A policy of preventing workers from shifting from one plant to another, similar to Canada's, is suggested. Stabilization of wages is also regarded as necessary.

According to the Board the great majority of executives believe that, given an adequate manpower program, a decline in production can be avoided by mobilizing and training a sufficient number of additional women workers. Thorough job analysis has often revealed that through a rearrangement of operations, women can fill many more positions than at first thought possible. Summarizing the existing situation, the Board says:

"Shifts in employment and restlessness are pronounced among new employees. The quality of available labor is frequently below average, resulting in less efficient operations and more-than-normal discharges. Inadequate housing facilities are also contributing to greater turnover in some sections. Competition for labor is keenest in areas with large, new or expanded war plants, and there are many complaints that 'cost plus' producers can outbid other competitors. The materials situation remains unsatisfactory and has necessitated a number of lay-offs.

"Nearly all business executives foresee an increase in difficulties arising from the loss of manpower. They are particularly concerned with the loss of highly trained men. While their experience with deferments for essential workers has been decidedly uneven, about 65% of the cooperators report no serious difficulties, partly because requests have been held to an absolute minimum. The general expectation is that deferments will be harder to obtain in the future. Some companies report that close cooperation with local boards has proved helpful, although relief cannot always be extended because quotas must be met. Conflicting reports on Selective Service requirements have caused many enlistments and these losses have in turn upset programs laid out for replacing personnel in accordance with schedules worked out with local draft boards."

Tax Savs. Note Sales Jump In September

Secretary of the Treasury Morgenthau announced on Oct. 2 that sales of Treasury Tax Savings Notes during September totaled $929,000,000, or more than double the sales of $418,000,000 during the preceding month. With the exception of the first month of issue in August, 1941, when sales totaled $1,037,000,000, this was the largest monthly total on record. This showing demonstrates the effectiveness of the work of the Victory Fund Committees, officials said. The Treasury Department's advices, Oct. 2, also said:

"The September total includes the sales of Series A, B and C Notes. Sale of Series A and B Notes was suspended on Sept. 12, and new Series A and C Notes, which provide greater flexibility, were placed on sale on Sept. 14. The principal changes in Series A Notes was the raising of the limit which might be presented in payment of taxes in any one year from $1,200 to $5,000 and extending the maturity of the notes to three years. This limit applies separately to Federal income, estate and gift taxes. In the case of joint returns, husband and wife are each permitted to present a maximum of $5,000 in Series A Notes in any one year in payment of taxes of each class.

"Of the total of $929,000,000 in Tax Savings Notes sold last month, the sum of $846,000,000 represented the purchase of new notes issued on and after Sept. 14, 1942. The balance of $83,000,000 represented sales of old Series A and B Notes prior to Sept. 14, of which approximately $48,000,000 were exchanged for the new Series Notes during September."

In a message to the Executive Managers of the Victory Fund Committee in the Federal Reserve Districts, Secretary Morgenthau said:

"I am very much pleased with the results obtained by the Victory Fund organization since Sept. 14, 1942, on the sale of the new Tax Savings Notes. This is an important part of our war financing program and I hope you will continue your fine work."

The following figures are made available as to sales of Tax Savings Notes in September by Federal Reserve Districts, etc:

Boston	$57,615,000
New York	341,924,000
Philadelphia	71,303,000
Cleveland	107,724,000
Richmond	35,295,000
Atlanta	20,386,000
Chicago	148,650,000
St. Louis	44,803,000
Minneapolis	14,859,000
Kansas City	20,965,000
Dallas	12,961,000
San Francisco	52,042,000
Treasury	709,000
Unclassified	67,000
Total	$929,303,000

Offering of the new notes was noted in these columns Sept. 17, page 992.

Nelson Urges Creation Of War Liabilities Board To Bring Small Business Into War Effort

The creation of a War Liabilities Adjustment Board to assure full use of all productive industries in the war effort and to provide a basis for small business concerns resuming their place in a post-war economy was recommended to Congress on Sept. 30 by Donald M. Nelson, Chairman of the War Production Board.

Testifying before the Senate Small Business Committee, Mr. Nelson said the objectives of the board would be to help small firms which have been unable to convert to war production to adjust liabilities and provide post-war financing, technical assistance and mechanism for obtaining priorities.

Regarding the proposal, Associated Press, Washington advices had the following to say:

Emphasizing that he was not presenting a drafted proposal, but a recommendation for committee development, Mr. Nelson said that such an agency should co-ordinate its efforts with those of the WPB and the Man Power Commission.

He declared that civilian production must be cut to the bone, and added:

"Before the war is over, we shall need to use in some way for essential purposes all the management ability we have, all the man power we have and all the materials we have."

Mr. Nelson said that under the WPB program war work would be sent to existing plants in most cases but in others it would be necessary to move machinery as well as men to other places, since no useful equipment could be allowed to lie idle.

"We need, I believe, to begin setting up under authority of the War Production Board an agency to buy and hold until needed machinery and equipment in the same way that we are now buying inventories of raw materials," he said.

He expressed the belief that the Manpower Commission would institute a more intensive program for recruiting and training the proprietors and workers of small business enterprises, who cannot be employed in their present lines.

He said that it might prove desirable to use some of the plants as training centers for practical production and management work.

Discussing the suggested War Liabilities Adjustment Board, Mr. Nelson said that a sound economy called for "ample opportunity for small enterprises to enter particular fields and add their imagination, initiative and drive to the competitive struggle to provide more and better goods for all of us at continually lower prices."

This objective he said, should not involve "putting machinery or labor or management brains away in cold storage for the duration of the war."

A full war effort, he declared, would premit continued operation in the civilian lines of small nucleus firms, since larger firms can be more easily converted to the war production.

"So long as there is to be some production of an item, an effective way of using smaller firms will be found," Mr. Nelson declared, "but the need for man power, materials and machines would force to a minimum the essential civilian output."

A war liabilities adjustment act, he said, should provide a board with authority to administer adjustment of financial claims to machinery and other equipment held by small plants, including taxes and leases, and with power to promulgate a program permitting the concerns to function when the war is over.

According to advices to the "Wall Street Journal" from its Washington bureau, Mr. Nelson was brought into a debate with Senator Taft in discussing immediate financial duties which be assumed by the new board. From the account we quote:

The WPB chairman defined these as steps designed "to help small enterprises adversely affected by the war take care, in an orderly fashion, of overhanging liabilities which under normal conditions they would have been able to discharge."

"Frankly," countered Mr. Taft, "I think there is no more orderly liquidation than under existing laws. We have bankruptcy laws which prevent forced sales for indefinite periods."

He declared that such an agency would be looked at by every businessman as a place he could go and get money. But, "I don't believe it could handle one-tenth or one-twentieth of the firms going out of business," he added.

The Senator said that retailers forced out could go to a lucrative job or the army. Most wholesalers could do likewise, he averred.

Mr. Nelson devoted much attention to machinery. He emphasized that a program of taking simpler war work away from big plants and handling it to small factories is still under way, and will continue particularly in the the aircraft industry.

At the same time, he reported that "we have scarcely begun" on a program of taking machines away from non-war plants. He said that some machinery can be used elsewhere, as is or modified, that other machines can be used as spare parts, and the final alternative is to use the machines as scrap for steel.

He indicated that a new WPB agency will be set up "to buy and hold, until needed, machinery and equipment in the same way that we are now buying inventories of raw materials."

Officials of the Department of Commerce testified before the Senate Small Business Committee on Sept. 29 estimating that upward of 300,000 retail stores would be forced to close by the end of 1943 due to the war.

The witnesses, headed by Wayne C. Taylor, Under-Secretary of Commerce, urged that steps be taken to cushion financial losses and permit orderly retirement. Mr. Taylor endorsed a suggestion by Senator Mead (Dem., N. Y.) that there should be established a permanent Federal agency to husband small business from the "ravages of war economy."

Meanwhile, Senator Murray (Dem,. Mont.) Chairman of the Senate Committee, announced that an investigation would be opened into the operations of the Smaller War Plants Corporation, organized within the War Production Board to assist small manufacturers.

Money In Circulation

The Treasury Department in Washington has issued the customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve banks and agents. The figures this time are for Aug. 31, 1942, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was $13,199,882,224 as against $12,739,478,258 on July 31, 1942, and $9,994,773,682 on Aug. 31, 1941, and comparing with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the World War, that is, on June 30, 1914, the total was only $3,459,434,174.

U. S. Court Rules Discount In Exchange Of Bonds For Stock Deductible From Income Tax

The Third United States Circuit Court of Appeals at Philadelphia ruled on Sept. 29 that discount taken by corporations in an exchange of bonds for stock may be classed as deductible loss on income-tax reports and may be amortized yearly during the life of the bond issue.

Regarding the ruling, the Associated Press reported:

"Pointing out that it was the first ruling of its kind by a court, the tribunal upheld a claim by American Smelting & Refining Co., of Jersey City, which sought a refund of $16,710.92 on 1925 income taxes.

"Judge Herbert F. Goodrich held in the opinion that an exchange of bonds for stock is the same in principle as if the bonds had been sold on the open market and the proceeds used to acquire the stock. He also approved the use of New York stock quotations to establish market value of the stock for contrast with the face value of the bonds.

"The Jersey City company claimed a deduction of $128,539.32 in its 1925 tax report for amortization on $37,049,800 of first mortgage bonds issued in 1917 to retire 170,000 shares of 6% Series A and 300,000 shares of Series B preferred stock of American Smelters Securities Co., a subsidiary which was liquidated.

"The company said it made the exchange at an average discount of 7½%.

"The Treasury Department rejected the company's claim on grounds that no loss could be established except by sale of bonds in the market and use of the proceeds for redemption."

Building Trades Exempt From Premium Pay Ban

Secretary of Labor Perkins exempted on Sept. 30 the Building and Construction Trades Stabilization Agreement from an executive order banning premium pay for Saturday and Sunday work. This is learned from Associated Press accounts from Washington Sept. 30, which further stated:

"She said the Board of Review of the War Production Board had reported that the existing agreement was satisfactory and the building trades unions had joined in requesting the exemption.

"The agreement, she said, abolished all double time but provided for time and one-half for Saturday and Sunday.

"The Labor Secretary also announced a 60-day stay of the order so far as it affects shipbuilding stabilization agreements. The purpose of this stay, she said, is to permit adjustment of overtime practices in ship repair work to terms of the executive order."

Perry Hall To Push Sale Of Tax Savings Notes

Perry E. Hall, Executive Manager of the Victory Fund Committee for the Second (New York) Federal Reserve District, urged certified public accountants on Oct. 1 to call their clients' attention to the merits of Treasury Tax Savings Notes and in this way help finance the war.

Mr. Hall's circular to accountants stated in part:

"It is our understanding that the Committee on Acounting Procedure of the American Institute of Accountants in January 1942 stated that, where a corporation purchases Tax Savings Notes with the intent of using them in payment of Federal income and excess profits taxes, it is good accounting practice that the notes be shown as a deduction from the accrued liability for such taxes in the current liability section of the balance sheet, provided the full amount of the accrued liability is also shown. Therefore such a corporation holding tax savings notes, whose statement is prepared in this manner, may show an improved ratio of current assets to current liabilities compared with a corporation which holds cash against its tax liability."

New Treasury Notes of Tax Series A-1945 and Tax Series C-1945 went on sale Sept. 14. The Series A Notes, designed primarily for the smaller taxpayer, are dated Sept. 1, 1942 and will mature Sept. 1, 1945, with interest accruing at the rate of 16 cents per month per $100, equivalent to a yield of approximately 1.92% per annum. The Tax Series C Notes, to be dated as of the first day of the month in which purchased and to mature three years thereafter, will yield about 1.07% per annum if held to maturity. A full description of these notes was given in these columns Sept. 17, page 992.

Credit Year Book Shows Changing Trend

Because of the drastic and far-reaching effects of Government restrictions on consumer credit, the ninth, and wartime, edition of the "Credit Management Year Book," issued Sept. 30 by the Credit Management Division of the National Retail Dry Goods Association, is believed to be of appreciably greater importance to retail store principals and credit men, than any of its predecessors. The Association points out that more than half of the 256 pages of the book is devoted to Regulation W, the ruling which has completely changed the retail credit picture. Sixteen chapters deal with this subject, and in fact, no single chapter fails to make some reference to it. In addition to presenting a slightly abridged official text of the Regulation, the book traces the ten-year development of consumer credit, the liberalization of credit terms during that decade, and the ups and downs in the credit cycle which finally culminated in Government action to control credit.

It presents an outline of the inflation problem. For the first time, a complete record is given of all formal briefs presented to the Federal Reserve Board by the various Regulation W Committees of NRDGA. Another section of the book deals with State credit legislation, containing both a nation-wide summary of recent State legislative trends and a detailed analysis of New York State laws—which, it is pointed out, leads in the field of sound credit legislation.

There are also chapters on Retail Credit Management, dealing with every phase of the retail credit situation, including credit office personnel problems, cost of living payroll plan, credit bureau reporting, establishment of credit policies with an eye to post-war conditions, and public relations. Credit statistics are shown, to the exclusion of anything else, in the fourth and last section of the book, embracing a resume of the 1941 retail credit operating results as compiled by the U. S. Department of Commerce.

In dedicating this edition of the Year Book to Ronald Ransom, Vice-Chairman of the Board of Governors of the Federal Reserve System, John D. Kemper, Chairman of the Board of the NRDGA Credit Management Division, explains that this is done "in appreciative acknowledgment of the Board's wise administration of Regulation W."

Advertisers Association Commends Rev. Bureau

Referring to the statement of Commissioner of Internal Revenue Helvering as to the deductibility of advertising expense on corporate income tax returns as "a welcome amplification of Secretary Morgenthau's statement before the Joint Congressional Committee on Taxation," Paul B. West, President of the National Association of Advertisers, added on Sept. 30 that the Commissioner's statement "bears out the clarification of the subject sent out by the Association of National Advertisers with the approval of the Internal Revenue Bureau on Aug. 28." Mr. Helvering's statement was given in these columns Oct. 1, page 1171, while the Association's clarification on the subject was referred to in our issue of Sept. 3, page 810.

Mr. West's statement of Sept. 30 goes on to say:

"Now, when our nation is at war, there is no room for uncertainties and misunderstandings. Such clear and forthright statements as that of Commissioner Helvering are of inestimable aid to business in allaying fears and permitting sound planning. The statement shows a sympathetic understanding of the problems of business and a desire to be fair and cooperative. In our conferences with bureau officials we found their attitude to be wholly one of cooperation, and it was most gratifying to have this response to our request after pointing out the need for business to have such clarification.

"Quite naturally, the bureau is charged with upholding the law and will have no patience with any taxpayer who seeks to avoid proper payment of taxes. This is just and reasonable. Excessive advertising expenditures, as excessive expenditures of any kind, should not be deductible, especially in this war period.

"We have noted a tendency in some quarters on the part of overzealous advertising salesmen to use the excess profits tax as an argument for the expenditure of increased sums on advertising. I do not believe that such selling reflects the judgment or the wishes of publishers or radio station owners and that this practice is very much the exception. Nevertheless, it is to be deplored and discouraged as strongly as possible. To attempt to sell advertising on a false basis implies that the publication or radio station lacks merit. We are hearing from A. N. A. member advertisers about this type of solicitation and they deeply resent it. It is obviously an unsound business practice and has always been regarded so. For salesmen to try to take advantage of the situation for selfish gain not only does harm to all advertising and business but in these times is wholly unpatriotic.

"There is plenty of occasion for business to use advertising in a perfectly legitimate and justifiable way, for advertising as an essential tool has new responsibilities and new uses for serving the ends of business and of the nation in these critical times. It is heartening to hear this fact recognized by the Government and it is up to all of us to see that the privilege is not abused."

To Buy New So. Wales 5s

The Chase National Bank of the City of New York, successor fiscal agent, is notifying holders of external 5% sinking fund gold bonds, due April 1, 1958 of the State of New South Wales, Australia, that it will purchase on Oct. 8, 1942, an amount of these bonds sufficient to exhaust the sum of $211,498.42. Purchases will be made at prices not exceeding par and accrued interest at the corporate trust department of the bank, 11 Broad Street, New York.

Labor Groups Urge Support For Scrap Salvage Drive

The country's three labor groups—the Congress of Industrial Organizations, the American Federation of Labor and the Railroad Brotherhoods—on Sept. 29 pledged themselves to work together in the scrap salvage drive and to appeal to their affiliated unions for full support of the campaign. This increased labor support of the scrap drive was launched officially on Sept. 30, when President William Green, AFL, and Philip Murray, CIO; J. G. Luhrsen, Executive Secretary of the Railway Labor Executives Association, and Wendell Lund, director of the WPB's Labor Production Division, appeared together on a radio program.

Mr. Lund appealed to the three labor organizations for assistance, declaring that the scrap shortages "have grown so acute that furnaces may be closed down for want of scrap this winter resulting in thousands of workers losing time waiting for steel without which they cannot produce unless scrap collections are increased." The Labor Production Division has set up a committee to assist the labor movement in coordinating its activities in the salvage drive with established Government agencies, Mr. Lund announced.

Many labor union members have donated their services to the scrap drive in many cities in the past, but the new campaign, Mr. Lund said, will increase and coordinate labor's efforts. More than 75% of the average monthly output of 5,300,000 tons of steel is going into direct war use (ordnance, munitions, ships, facilities, Army and Navy construction) while the remainder is going to such essential industries as railroad, machinery manufacturing, etc., Mr. Lund said. He added:

"In order to keep the mills operating on a 24-hour basis, seven days a week, American workers are called upon to volunteer in this salvage movement to aid in building up the necessary scrap pile. The minimum amount of iron and steel scrap necessary to keep steel production up to capacity, and at the same time form a stockpile to carry over the bad winter months, has been set at 17,000,000 tons. This means a monthly average of 2,833,000 tons of scrap for the last six months of 1942."

Maritime Class Graduates

The war's first class of merchant marine officers was graduated from the N. Y. State Maritime Academy at Fort Schuyler in the Bronx on Sept. 30. Diplomas, Bureau of Navigation licenses, and Naval Commissions were awarded the class of 70 men at the Academy's 84th graduation. Captain Edward Macauley, U. S. N. (retired), of Washington, D. C., member of the U. S. Maritime Commission and Deputy Director of the War Shipping Administration, was the principal speaker. Captain Macauley is directly in charge of the program to train 30,000 officers and 100,000 seamen by the end of 1943, to man the hundreds of new ships scheduled for completion by that time. Arthur M. Tode, founder of the American Merchant Marine Conference and Honorary President of the Propeller Club of the United States, presided.

A feature of the exercises was the unveiling of a memorial plaque in memory of 11 Academy alumni, who are reported lost at sea because of enemy action in the present war. It was unveiled by the father and young wife of one of the men lost, Charles Lund, Sr., of the War Department in Washington and Mrs. Charles Lund of Cambridge, Mass.

Pay On Rio Grande Bonds

Ladenburg, Thalmann & Co., New York, as special agent is notifying holders of State of Rio Grande do Sul (United States of Brazil) 25-Year 8% sinking fund gold bonds, external loan of 1921, that funds have been deposited with it, sufficient to make a payment, in lawful currency of the United States of America, of 15.05% of the face amount of the coupons due Oct. 1, 1940, amounting to $6.02 for each $40 coupon and $3.01 for each $20 coupon. Pursuant to the provisions of the Presidential Decree of the United States of Brazil, such payment, if accepted by the holders of the bonds and coupons, must be accepted in full payment of such coupons and of the claims for interest represented thereby. No present provision, the notice states, has been made for the coupons due April 1, 1932 to Oct. 1, 1933 inclusive, but they should be retained for future adjustment.

Announcement was also made on Sept. 30 that the City of Rio de Janeiro, Federal District of the United States of Brazil, has remitted to its special agents funds for the payment of interest for the six months ended Oct. 1, 1940 on its 5-year 6% external secured gold bonds due April 1, 1933, at the rate of $4.1925 per $1,000 bond, or 13.975% of the dollar amount of such interest. The announcement added:

"These funds have been remitted in accordance with provisions of Presidential Decree No. 23829 of Feb. 5, 1934, as reenacted and modified by Decree Law No. 2085 of March 8, 1940.

"Cash payment at this rate, to be in full payment of the interest due Oct. 1, 1940, is now being made upon presentation of the bonds at the offices of the special agents, White, Weld & Co., 40 Wall Street, New York, or Brown Brothers Harriman & Co., 59 Wall Street, New York."

Bank Exam. Review Course At N. Y. School of Banking

A final bank examiner review course, in preparation for the expected civil service examination for New York State Bank Examiner, will begin soon at the New York School of Banking, 63 Park Row, it has been announced by Allyn E. Burby, Director. The review class will meet every Wednesday and Friday evening from 7 to 9 p.m., and will cover these important bank examiner topics: "Banking Law," "Trust Work," "Foreign Exchange," "Credits," "Investments," "Savings Banks," "Savings and Loans," "Examining Procedures," "General Summary" and "How to Take the Examination." The course will be conducted by a staff of men with wide practical examining experience. For bank men who cannot attend classes, a final homestudy review course is available.

Colombian Envoy Praised

Secretary of State Hull on Sept. 28 paid the following tribute to Dr. Gabriel Turbay, Colombian Ambassador to the United States, who is returning to Colombia to become Minister of Foreign Affairs:

"The Colombian Ambassador has been with us for some few years and he has made a most favorable impression on every official connected with the foreign service of our government. He has rendered highly valuable service in promoting fuller methods and means of cooperation among the American nations. I do not recall any representative to this government from a foreign government who has more favorably or more forcefully impressed himself on our diplomatic corps here and on our government as well. We are indeed sorry to see him leave."

ABA Appoints New Division Presidents

Louis S. Headley, Vice-President of the First Trust Company of St. Paul State Bank, St. Paul, Minn., became President of the Trust Division of the ABA on Sept. 30, in succession to Richard G. Stockton, Vice-President and senior trust officer of the Wachovia Bank & Trust Co., Winston-Salem, N. C. Mr. Headley graduated in 1907 from Carleton College, Northfield, Minn., and in 1912 from the Harvard Law School. He practiced law in New York City from 1912-1914; was in the Attorney General's office, St. Paul, Minn., 1914-1916, and practiced law in St. Paul from 1916-1918. In 1918 Mr. Headley became an officer of the Northwestern Trust Co. of St. Paul. Subsequently he became an officer of the First Trust Co. of St. Paul which was a consolidation of the Northwestern Trust Co. and the Merchants Trust Co., St. Paul. He is now Vice-President and Director of the First Trust Company of St. Paul. During the 1940-1941 term Mr. Headley served as Chairman of the Executive Committee, Trust Division, ABA, and as Vice-President of the Division from 1941-1942. He has also served on the Association's Executive Council as an ex-officio member of the Bank Management Commission, and as a member of the Trust Division's Committee on Fiduciary Legislation.

S. A. Phillips, Vice-President of the First National Bank, Louisville, Ky., became President of the National Bank Division of the ABA on Sept. 30, succeeding W. C. Bowman, President of the First National Bank, Montgomery, Ala. Mr. Phillips is a native of Kentucky. As to his various connections, it is announced:

"His first business connection was as bookkeeper and Assistant Cashier with the State Bank and Trust Co., Stanford, Ky. After two years he resigned and joined the Phoenix Third National Bank of Lexington. Four years later, in 1917, he entered the Credit and General Accounting Department of Sherwin-Williams Co. at Cleveland, Ohio. In 1918 he joined the United States Army and was sent overseas as Sergeant-Major in charge of office work at a base hospital in Paris. When he returned in 1919, he became Assistant Cashier of the First National Bank, Corbin, Ky., and in 1924 he became Deputy State Banking and Securities Commissioner by appointment from the Governor. In 1928 Mr. Phillips became Vice-President in charge of the Bank Relations Department of the First National Bank of Louisville, the position he now holds.

"In the activities of the American Bankers Association, Mr. Phillips has served on the Executive Council, the Membership Committee, ex-officio Bank Management Commission, the Executive Committee, National Bank Division, and was Chairman of the Committee 1940-1941. From 1941-1942 he was Vice-President of the Division. He has also served as an alternate member of the Nominating Committee from Kentucky, and has been active in the Kentucky Bankers Association."

Frank P. Powers, President of the Kanabec State Bank, Mora, Minn., succeeds James H. Penick, President of the W. B. Worthen Co., Bankers, Little Rock, Ark., as President of the State Bank Division of the ABA. Mr. Powers is a native of Stillwater, Minn. Early in his childhood his family moved to Mora. He entered the United States Army in the summer of 1918. As to his activities, it is stated:

"Upon his discharge from the army in 1919 he accepted the position as Cashier of the Quamba State Bank, Quamba, Minn. In 1921 he was elected President of the bank. In 1932 the bank was moved to Mora and the name was changed to the Kanabec State Bank. Mr. Powers has been its President ever since.

"He helped organize and served in all of the chairs of the Five Counties Bankers Association, the counties being Kanabec, Isanti, Mille Lacs, Benton, and Sherburne. He served first as Secretary and then as Chairman. He was also Secretary, Vice-President and President successively of the Tenth District Bankers Association of Minnesota. From 1937-1938 he was Vice-President of the Minnesota Bankers Association, and in 1938-1939, President.

"In the activities of the American Bankers Association, Mr. Powers has served as follows: 1935, elected State Vice-President for Minnesota; 1937-1939, Membership Committee; 1939-1941, elected member Executive Committee of State Bank Division; 1941, elected Vice-President of State Bank Division, advancing to Presidency in 1942.

"He was a liaison officer in 1934 of the FHA for the State of Minnesota. He is now Chairman of the Kanabec County War Bond Committee, Chairman of the Kanabec County Red Cross War Fund Committee, and Chairman of Region Four of the Victory Fund Committee of Minnesota. He is also a member of the Executive Committee of the State War Savings Bond Committee, and Director of the Farmers Home Mutual Insurance in Minnesota."

W. W. Slocum, President of the United Savings Bank, Detroit, Mich., became President of the Savings Division of the ABA on Sept. 30, succeeding Stuart C. Frazier, Executive Vice-President of the Washington Mutual Savings Bank of Seattle, Wash. Mr. Slocum was born in Detroit, Mich., on Nov. 18, 1891. After being released from the army in the last World War he became Treasurer of the Rural Publishing Co., publishers of the "Michigan Business Farmer." After several years in this capacity he resigned in 1923 to become Vice-President and Director of the United Savings Bank in Detroit. Later he was elected Executive Vice-President of the bank and became its President in January, 1933. Mr. Slocum served as Vice-President of the Savings Division 1941-1942, advancing to the Presidency in 1942, and is an ex-officio member of the Executive Committee, and Chairman of the Committee on State Legislation of the Savings Division of the American Bankers Association, as well as being a member of the following ABA bodies: Executive Council, Ex-Officio Bank Management Commission, and Ex-Officio Committee on State Legislation.

Fred M. Bowman, Secretary of the Kansas Bankers Association, Topeka, Kan., succeeded William Duncan, Jr., Secretary of the Minnesota Bankers Association, as President of the State Secretaries Section of the ABA on Sept. 30. After graduation from college in 1911, Fred M. Bowman became field representative of the Kansas Bankers Association. In 1917 he was elected Assistant Secretary of that Association, and in 1932 he became its Secretary. Mr. Bowman was formerly President of the Central States Conference, and is now editor of the "Kansas Banker," and Secretary of the Junior Bankers Conference, Kansas Bankers Association. He has served on various committees of the Central States Conference and as First Vice-President of the State Secretaries Section of the ABA from 1941-1942, and became President of the Section in 1942. He has also served on the Association's Executive Council, as an ex-officio member of the Bank Management Commission, and as a member of the Public Relations Council.

The changes in the Presidents of the various Divisions above were incident to the meeting in New York of the Executive Council of the ABA on Sept. 30, to which reference is made in an item in this issue relative to the election of M. L. Hemingway as President of ABA.

Praised For Silence On President's Trip

Byron Price, Director of Censorship, on Oct. 1 praised the press and radio for keeping President Roosevelt's inspection trip a secret, saying that "their act provides striking proof of the workability of voluntary censorship."

Mr. Price's statement follows:

"For two solid weeks every newspaper, every radio station and every periodical in the United States kept as a secret the news of the President's trip across the country and back inspecting war plants and camps first hand.

"Most of them knew about the trip which would ordinarily be big news as soon as it happened. But the only consideration in all their minds was the safety of the Commander-in-Chief in wartime so far as they could contribute to it—a consideration which was called to their attention by the voluntary radio and press censorship code.

"No mandate or compulsion in law caused the publishers and broadcasters to keep this secret. They were guided purely by their own patriotism and caution in abnormal times. In some cases they canceled regular working confidential telegraph messages for fear of transmitting inadvertently any information of the President's movements.

"The American press and broadcasters have never before made such a sacrifice of regular operations. Their act provides striking proof of the workability of voluntary censorship which must rest on the patriotism of press and broadcasting agencies."

Sees Further Shortage Of Consumer Goods

Disappearance of consumer's goods from retail and wholesale shelves—a potent factor in the upward spiral of inflation—will be more and more obvious from now on, according to the monthly survey of business in the October issue of the magazine "Banking", official journal of the American Bankers Association. The survey, prepared by William R. Kuhns, the publication's editor, asserts that the shortage of goods for the buying public will assume "prodigious" proportions. The survey says:

"Our retail shelves are still a source of astonishment to persons arriving from abroad, but the pace of retail buying will soon change that. From now on, the bare spots on the shelves of consumer's goods in stores and warehouses will be so obvious that no one can miss them. Instead of nervous hoarding of everything under the sun, which characterized retail buying at the beginning of the war, the process is becoming more selective.

"A chance news item in some locality, or merely gossip circulated by word of mouth, can cause the disappearance of electric toasters or coffee or something else from the stores of one community while a neighboring place has supplies of the same thing. It takes only the suggestion that electric bathroom heaters are all gone to make everybody want one.

"A common criticism of the Government's fight on inflation has been that its various moves have been too timid and tardy, that inflation is already two or three laps ahead of the sheriff. This is not entirely accurate because up to now we have had only one part of the high-cost-of-living menu, namely, a prodigious rise in spending power. The other important part of it is a prodigious disappearance of things to buy, and this is only now beginning to make itself felt."

Byrnes Named Economic Stabilization Director; To Develop Comprehensive National Policy

President Roosevelt announced on Oct. 3 the appointment of Associate Justice James F. Byrnes of the Supreme Court as Director of Economic Stabilization with broad powers to develop a "comprehensive national economic policy." Mr. Justice Byrnes has resigned from the Supreme Court in order to accept this position, which the President described as "of highest importance to the carrying on of the war."

In announcing the appointment of Justice Byrnes, President Roosevelt said:

"Justice Byrnes is one of the foremost authorities in governmental administration in the United States. He knows the economic problems of this country whether they concern labor, the farmer, the consumer, the small retail store or the manufacturer. I would never have asked him to resign from the Supreme Court were it not for the fact that this job is one of the most important positions in this country. I know the American people can be sure that in keeping down the cost of living he will be fair to every one.

"This position calls primarily for judicial consideration. The organization will be small because the administrative action will be carried out by the existing agencies.

"Justice Byrnes's patriotic action in accepting this appointment deserves the praise and commendation of all our citizens."

Under the executive order, creating the Office of Economic Stabilization, Justice Byrnes is directed, with the approval of the President, to "formulate and develop a comprehensive national economic policy relating to the control of civilian purchasing power, prices, rents, wages, salaries, profits, rationing, subsidies, and all related matters—all for the purpose of preventing avoidable increases in the cost-of-living, cooperating in minimizing the unnecessary migration of labor from one business, industry, or region to another, and facilitating the prosecution of the war. To give effect to this comprehensive national economic policy the Director shall have power to issue directives on policy to the Federal departments and agencies concerned."

An Economic Stabilization Board is also created by the order to advise and consult with Mr. Byrnes, who will be Chairman of the board. It will consist of the Secretaries of the Treasury, Agriculture, Commerce and Labor; the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Bureau of the Budget, the Price Administrator, the Chairman of the National War Labor Board, and two representatives each of labor, management and farmers, to be appointed by the President.

The President's letter accepting Mr. Byrnes' resignation from the Supreme Court follows:

"Dear Jimmy:

"I hereby officially accept your resignation of the office of Associate Justice of the Supreme Court of the United States.

"At the same time, officially and personally as well, I extend to you my deep appreciation in leaving the Supreme Court in order to assume a position of highest importance to the carrying on of the war.

"In one sense, this is an act of great personal sacrifice on your part, but I know you are happy in undertaking a task which affects every individual and every family throughout the nation during the war, and will assist the well-being of us all in the days after victory has come to our beloved country.

"Sincerely and affectionately,

"Franklin Delano Roosevelt."

With the opening of the October term of the Supreme Court on Oct. 5 regret at the resignation of Justice Byrnes was voiced by Chief Justice Stone, who said:

"We are reconciled to his leaving us only by the realization that he is moved by a sense of duty to render a needed service of public importance in a time of great national emergency.

"We wish for him all success in his new and arduous undertaking and that he may find in it that durable satisfaction which is the true reward for a great task greatly performed."

Aug. War Food Purchases

Wartime purchases of meats and dairy products by the Agricultural Marketing Administration declined during August, but vegetables, edible oils, fish and other seasonally available foodstuffs were bought in larger quantities, the Department of Agriculture said on Sept. 24. The Department likewise said that although purchases of meat products and lard were smaller, they continued to account for the largest dollar volume of foodstuffs bought, the total during the month amounting to $34,882,000, compared with $68,731,000 in July. Dairy products and eggs purchased during August came to $14,704,000, or about one-half the July figure. The Agriculture Department's announcement continued:

"In the relatively abundant vegetable field, AMA purchases amounted to $6,046,000, about 50% larger than in July. The amount spent for vegetable oils was $2,414,000 or more than double the figure for July. Purchases of fish totaled $7,166,000 or nearly three times the July level. Cereals and fruits were bought in smaller volume than in the preceding month.

"Since the beginning of the program last year, more than two-thirds of the total dollar amount of AMA purchases has consisted of animal protein products. The total of such purchases was nearly equally divided between meat products, and dairy products and eggs.

"Animal products provide food values in highly concentrated form, and will continue to bulk large in AMA purchases for overseas shipment. However, other farm products are taking a more important part in the purchasing program as allied needs for them increase, and shipping space becomes available.

"Meat products and lard accounted for nearly 42% of the total cost of August purchases, and dairy products and eggs nearly 18%. The next largest commodity group was non-foodstuffs — primarily cotton and tobacco—representing almost 15% of the total. Purchases of fish were for 8.57% of the total, vegetables, 7.23% and grains, fruit and miscellaneous foodstuffs, approximately 10%."

NRDGA Members Comply With Price Regulations

Replies to a questionnaire sent to the membership by the National Retail Dry Goods Association indicates that 99.4% of these retail stores are complying with all OPA price regulations. While the questionnaire was prompted by the "August for Compliance" drive, it did not, of course, confine its interest to that month, but involved the sustained adherence of the stores approached, to the price ceiling program, said the announcement Sept. 29. That members replied frankly to the questionnaire, said Lew Hahn, General Manager of the Association, is demonstrated by the fact that "in several instances something less than full compliance was admitted and in two cases member stores said definitely they were not complying."

Market Value Of Stocks On New York Stock Exchange Higher On Sept. 30

The New York Stock Exchange announced on Oct. 5 that as of the close of business Sept. 30, there were 1,243 stock issues aggregating 1,471,467,074 shares listed on the New York Stock Exchange, with a total market value of $35,604,809,453. This compares with 1,241 stock issues aggregating 1,471,287,744 shares, with a total market value of $34,871,607,323 on Aug. 31 and with 1,236 stock issues, aggregating 1,462,857,984 shares, with a total market value of $40,984,419,434 on Sept. 30, 1941.

In making public the figures for Sept. 30, the Exchange said:

"As of the close of business Sept. 30, New York Stock Exchange member total net borrowings amounted to $365,035,047. The ratio of these member borrowings to the market value of all listed stocks on that date was, therefore, 1.03%. As the above figure included all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

	——Sept. 30, 1942——		——Aug. 31, 1942——	
Group	Market Value $	Average Price $	Market Value $	Average Price $
Amusement	[illegible]876,737	13.80	283,908,954	13.47
Automobile	2,920,821,327	24.38	2,854,163,164	23.82
Aviation	558,388,966	16.15	528,329,344	15.28
Building	408,648,808	18.75	394,853,691	18.12
Business & office equipment	276,830,323	23.57	277,032,514	23.59
Chemical	5,000,642,902	52.49	4,827,594,986	50.68
Electrical equipment	1,192,117,420	29.69	1,151,246,252	28.67
Farm machinery	562,648,593	42.94	546,878,129	41.73
Financial	688,058,636	13.55	683,122,098	13.46
Food	2,287,234,584	24.49	2,286,205,379	24.47
Garment	36,922,782	22.05	36,182,302	21.61
Land & realty	15,583,870	3.21	15,350,995	3.16
Leather	180,172,475	21.43	182,998,364	21.76
Machinery & metals	1,224,163,450	17.87	1,198,522,884	17.50
Mining (excluding iron)	1,268,601,462	21.47	1,268,568,342	21.46
Paper & publishing	331,910,013	14.94	326,744,180	14.71
Petroleum	3,849,110,253	20.06	3,770,375,841	19.65
Railroad	2,337,057,396	24.91	2,750,086,111	24.14
Retail merchandising	1,821,447,050	24.82	1,808,008,440	24.67
Rubber	360,134,663	34.00	343,380,879	32.42
Ship building & operating	92,545,982	19.42	90,255,287	18.94
Shipping services	11,994,309	6.48	10,658,453	5.76
Steel, iron & coke	1,875,568,835	37.45	1,852,347,210	36.98
Textiles	332,504,372	23.71	326,066,138	23.25
Tobacco	975,195,461	36.41	1,000,782,714	37.36
Utilities:				
Gas & electric (operating)	1,503,388,175	16.25	1,453,510,835	15.73
Gas & electric (holding)	622,227,989	6.49	584,959,419	6.11
Communications	2,695,813,940	64.47	2,686,923,750	64.26
Miscellaneous	72,697,448	9.91	72,106,452	9.83
U. S. companies oper. abroad	480,227,188	14.18	461,780,098	13.63
Foreign companies	727,645,302	17.97	696,089,798	17.19
Miscellaneous businesses	103,628,742	17.65	102,574,320	17.47
All Listed Stocks	35,604,809,453	24.20	34,871,607,323	23.70

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

	Market Value $	Average Price $		Market Value $	Average Price $
1940—			1941—		
June 29	38,775,241,138	26.74	Aug. 30	41,472,032,904	28.32
July 31	39,991,865,997	27.51	Sept. 30	40,984,419,434	28.02
Aug. 31	40,706,241,811	28.00	Oct. 31	39,057,023,174	26.66
Sept. 30	41,491,698,705	28.56	Nov. 29	37,882,316,239	25.87
Oct. 31	42,673,890,518	29.38	Dec. 31	35,785,946,533	24.46
Nov. 30	41,848,246,961	28.72	1942—		
Dec. 31	41,890,646,959	28.80	Jan. 31	36,228,397,999	24.7[illegible]
1941—			Feb. 28	35,234,173,432	24.02
Jan. 31	40,279,504,457	27.68	Mar. 31	32,844,183,750	22.36
Feb. 28	39,398,228,749	27.08	Apr. 30	31,449,206,904	21.41
Mar. 31	39,696,269,155	27.24	May 29	32,913,725,225	22.40
Apr. 30	37,710,958,708	25.78	June 30	33,419,047,743	22.73
May 31	37,815,306,034	25.84	July 31	34,443,805,860	23.42
June 30	39,607,836,569	27.07	Aug. 31	34,871,607,323	23.70
July 31	41,654,256,215	28.46	Sept. 30	35,604,809,453	24.20

Steel Operations Show Further Gain—Scrap Drive Improves—Output Short Of War Needs

"While many iron and steel expansion programs have long been on paper, some are in reality no nearer completion than months ago," reports "The Iron Age" in its issue of today (Oct. 8), which further states in part: "Several blast furnace projects are running from two to four months behind estimates and the retarding of electric furnace projects is likewise serious because of heavy demand for electric alloy steel.

"Most of the requirements for steel for blast and electric furnace projects have been on rolling mill schedules but have been 'bumped off' by other Army and Navy requirements.

"Some of the material bottlenecks are being widened. While the shortage of scrap is now replacing the shortage of steel plates as a topic for publicized concern by war program leaders, the plate situation is slowly improving. Efforts of the steel industry to produce plates may go down in history as one factor in the winning of the second World War.

"Typical of the drive to lift plate production is the achievements of the largest steel producer. At the end of 1939, this company had a plate capacity of some 1,700,000 net tons. Spurred by what then was a defense program, capacity was increased to 2,200,000 net tons by the end of 1940. At the close of 1941, the same producer's capacity was lifted to 3,500,000 tons, or a gain of 1,300,000 tons in a year. Driven by still greater ship plate demand, the company's plate capacity has advanced during 1942 to around 5,200,000 tons a year.

"Thus, since the defense program, merging into the 'War Program' began, plate production in this instance has been increased 300%, or enough to provide for an additional 750 cargo ships each year. The increase is largely by conversion of other facilities to plate-making. Other units of the steel industry have made a comparably good showing.

"The national scrap recovery drives, one for home scrap, the other for industrial scrap, continued to gain headway. The newspaper drive for old metal is achieving results beyond expectations in many areas. Much of the scrap is light and of poor quality but its collectors hope that the mills may be able to use it during the winter when mixed with heavier metal from other sources. Difficulty in obtaining adequate labor for scrapyards may necessitate some kind of assistance by Government agencies. In view of the labor shortage, volunteers may be called to sort household scrap in some cities."

The American Iron and Steel Institute on Oct. 5, announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.6% of capacity for the week beginning Oct. 5, compared with 97.3% one week ago, 96.4% one month ago and 98.1% one year ago. This represents an increase of 1.3 point or 1.3% from the preceding week. The operating rate for the week beginning Oct. 5 is equivalent to 1,686,700 tons of steel ingots and castings, compared to 1,664,500 tons one week ago, 1,649,100 tons one month ago, and 1,620,800 tons one year ago.

"Steel," in its summary of the iron and steel markets, on Oct. 5 stated in part: "Producing steel at the highest rate possible, keeping all usable equipment at its highest practical activity, the industry continues unable to meet the unprecedented demand imposed by war and essential civilian needs.

"Best possible distribution of output is being accomplished by allocations and directives but pressure continues to concentrate orders into the topmost ratings, with tonnages bearing lower priorities standing little chance of getting on rolling schedules. More and more, mill books carry an excess of AA-1 and AA-2 ratings. As a result of this condition manufacturers of war goods occasionally are forced to diminish their activities for lack of material, though on the whole supply is kept up for the most essential. Warehouses are not being supplied sufficient steel to meet needs for small lots to fill in consumer requirements. Some relief is being obtained through material in frozen stocks recently released by WPB.

"Tin plate producers expect the major part of their product in first half will be from the electrolytic lines now going into operation. One such line already is producing and others are close to completion. Price has been unofficially set at $4.50 per base box, 50 cents under standard hot-dipped plate. Quotas of black plate are not sufficient to keep platers at expected rate of activity, probably not reaching more than 50% of rated capacity for last half.

"Tightness is increasing in steel bars, both hot and cold-rolled. Quotations now are almost exclusively for December and in case of flats and large rounds most promises are for first quarter, even on top ratings. Much current production is on allocations and adoption of a system similar to that which has proved successful in plates may be a solution. For the most part plate deliveries are moving smoothly, consumers being supplied with sufficient tonnage as they need it. Tonnage carried over into the next month is being reduced and mills are coming closer to rolling their entire quotas each month. Heavy sheared plates are still somewhat short but the situation is not interfering with production.

"Sheet production is limited by allocations of semi-finished steel under the quota plan and much of the output is covered by direct allocation for definite projects.

"Effect of restrictions on use of structural shapes in construction is shown by American Institute of Steel Construction statistics. The fabricating industry booked only 73,541 tons in August. This contrasts with 158,658 tons in the same month a year ago. Fabricators are turning largely to other lines, including prefabricated parts for ships and similar work. Subcontracting of such parts is on the increase. Many projects are being redesigned for concrete and timber, to save steel. Considerable tonnage is expected to come out as the synthetic rubber program develops."

Civilian Population Not Yet Gone To War—Possibility Of Pupils Working Part Of Day

Major-General Lewis B. Hershey, Director of Selective Service, said on Sept. 29 that he has hopes that mobilization of men for military service will reach a peak in the last part of this year and that next year it will be lower.

Speaking before a conference on manpower and war labor problems, sponsored by the American Management Association in New York, Gen. Hershey warned that it may even be necessary to put school children to work on farms, or at something else useful, before the war is over. As to his remarks to this end the Associated Press quoted him as saying:

"I don't want to hurt education, but the education of our children may have to be confined. We must realize that we may have to see the time when our youngsters will have to do farmwork or do something else useful four or five hours a day.

"The extent to which education might be 'confined' would be measured by the required improvement of farm and industrial production."

Mr. Hershey also criticized the attitude of civilians for failing to realize the seriousness of the manpower problem.

Regarding his talk, the New York "Sun" of Sept. 29 reported:

"The civilian population has not yet gone to war," he declared, "and we are just getting to the phase of asking 'What do you want me to do?' In a democracy, we are supposed to see what should be done and do it."

"We must realize," he added, "that we may have to see the time when our youngsters will do farm work or something else useful four or five hours a day. I don't want to hurt education, but the education of our children may have to be curtailed. The fighting and producing groups must be reinforced every way possible to get maximum results. We don't know how many men we'll have to mobilize to lick Germany and Japan.

"The civilian population needs more working over now than the forces do."

He said the discipline of military life had put men in the services in the correct frame of mind toward the war, and pointed out that the people of England had had to develop a proper civilian attitude the hard way.

"I pray we will have no blitz here," he continued, "but we have somehow got to get our minds and hearts and hands acting as if we were in a war. We are trying to fight a war—and a highly mechanized one, too—with a social concept just about abreast of a village back in the jungle."

He told his listeners that they must look over the personnel of their plants and make up their minds to get along with a minimum.

"Some of you are engaged in businesses which will be casualties of this war," he warned. "Some of you have to do with commodities we've got to get along without. One of the things we are doing now is determining what is essential."

"How," he asked his listeners at another point, "can you expect an army to know how many men it will need when on the Volga events are transpiring which might mean a difference of a half million or two million men?"

From Washington

(Continued from First Page)

of enterprises in what was perhaps the most mismanaged campaign in history. With Willkie's defeat, all too many of them have become reconciled to what they consider to be the inevitable. If you think this isn't true, check up on the plight of the Republican campaign this year, a time when the prospects seem very bright, indeed. If it were not for Frank Gannett, the publisher, the employes of the Republican National Committee, few as they are, would not be getting their salaries, and those of the Republican Congressional Committee are having difficulty getting theirs. Not in all my time have I ever known any national campaign, either Democrat or Republican, to be so fundless as the Republicans are today.

I personally know many of the men whom the Republicans used to count on for money in the past. The greatest exponents of the necessity of the two-party system in those days, they are now saying:

"To hell with that. I'll give money to this candidate and that candidate, the one who can help me most, regardless of what party he is in." Some high paid advisers have told these former liberal contributors to take this stand or they have worked out the idea themselves.

The most striking result of such changed thinking is in Michigan. Out there an unmistakable Republican trend is on and there seems to be little doubt but that the gubernatorial ticket will win. But the best Senatorial candidate the Republicans have put up in years, Circuit Judge Homer L. Ferguson of Detroit, a man who unquestionably would add to the lustre of the Senate, is having uphill going because he is opposed by an incumbent New Dealer, Prentiss L. Brown.

You would be truly amazed at the number of moneyed Conservatives who are supporting Brown on the ground that he is not really a New Dealer, that he is one of them. It is a fact that Brown is not a radical but being politically obligated to the gang in Washington, there is not one single instance where he has not gone along with them. Visiting Michigan, one first heard the story that oh no, Brown was not a rubber stamp. He had voted against the packing of the Supreme Court. Then, investigation develops that from early February, 1937 until about three days before the bill was killed, he was on the fence—he would not make known his stand one way or the other. A gallant little group declared forthwith that it was against the bill and set out to stop it. Some of them sacrificed their political lives, as for example, then Congressman Sam Pettingill of Indiana. Then with Joe Robinson's death and the dramatic blow-up of the fight, Brown stood as one of the eight doubtful votes. The countrywide organization that had developed to defeat the bill, thereupon put the heat upon him, and on the very eve of the bill's defeat, he announced his opposition.

Since that time, or with that exception, he has gone down the party line. He opposed anti-labor legislation, he voted with the CIO against the sales tax.

Yet I saw a letter from one of the automobile manufacturers explaining that Brown was on the Senate Finance Committee, the "most influential man" on the committee next to the chairman, Senator George, and that Michigan was most fortunate to have two men "who understand the problems of business" on this committee—Senators Brown and Vandenberg. The latter is a man of influence. Brown is twelfth down the list on the majority side. It would be interesting to know just when he ever exercised any influence.

But here is an automobile manufacturer who feels, like the German Thyssen, "I've got a man in there on my side."

Of course, Brown is politically obligated to the New Deal. He couldn't possibly oppose it and survive.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Oct. 6	117.30	107.44	117.00	114.08	108.70	92.35	97.31	111.81	114.27
5	117.40	107.27	117.00	113.89	108.70	92.20	97.16	111.62	114.27
3	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.62	114.27
2	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.81	114.27
1	117.36	107.27	117.00	113.89	108.52	92.35	97.16	111.62	114.27
Sep. 30	117.40	107.27	117.00	113.89	108.52	92.20	97.16	111.62	114.27
29	117.44	107.27	117.00	113.89	108.70	92.20	97.00	111.62	114.27
28	117.51	107.27	117.00	113.89	108.70	92.20	97.16	111.62	114.27
26	117.51	107.27	117.00	113.89	108.52	92.20	97.16	111.62	114.08
25	117.51	107.27	117.00	113.89	108.70	92.06	97.00	111.62	114.08
24	117.53	107.27	117.00	113.70	108.52	92.06	97.00	111.62	113.89
23	117.53	107.27	117.00	113.70	108.52	92.06	97.00	111.81	113.89
22	117.53	107.09	117.00	113.70	108.34	92.06	97.00	111.62	113.89
21	117.59	107.27	117.00	113.70	108.52	92.06	96.85	111.62	114.08
19	117.59	107.27	117.00	113.70	108.52	92.20	97.00	111.62	114.08
18	117.62	107.27	117.00	113.70	108.52	92.06	96.85	111.81	114.08
17	117.62	107.27	117.00	113.70	108.52	92.06	96.85	111.81	114.08
16	117.59	107.09	117.00	113.50	108.52	92.06	96.69	111.81	114.08
15	117.62	107.27	117.00	113.50	108.52	92.20	96.85	111.81	113.89
14	117.69	107.09	117.00	113.50	108.52	92.06	96.69	111.81	113.89
12	117.73	107.09	116.80	113.50	108.34	92.06	96.69	111.81	113.89
11	117.75	107.09	116.80	113.50	108.34	92.06	96.69	111.81	113.89
10	117.76	107.09	116.80	113.50	108.34	92.20	96.69	111.81	114.08
9	117.78	107.09	117.00	113.31	108.34	92.20	96.69	111.62	114.27
8	117.75	107.09	116.80	113.31	108.34	92.20	96.69	111.62	114.08
7	EXCHANGE CLOSED								
5	117.80	107.09	117.00	113.31	108.34	92.06	96.54	111.62	114.08
4	117.80	107.09	117.00	113.31	108.34	92.06	96.54	111.62	114.08
3	117.81	107.09	116.80	113.31	108.34	92.06	96.54	111.62	114.08
2	117.84	107.09	116.80	113.31	108.34	92.06	96.54	111.44	114.08
1	117.84	106.92	116.80	113.31	108.16	92.06	96.54	111.62	114.08
Aug. 28	117.85	106.92	116.80	113.31	108.16	92.06	96.54	111.62	114.08
21	117.93	106.92	116.80	113.31	108.16	92.06	96.38	111.44	114.08
14	117.92	106.92	116.80	113.31	108.16	91.91	96.23	111.44	114.08
7	117.97	106.92	116.61	113.12	108.16	91.91	96.23	111.44	114.27
July 31	118.11	106.92	116.41	113.50	108.16	91.77	96.07	111.44	114.27
24	118.22	106.74	116.61	113.31	107.98	91.77	95.92	111.62	114.08
17	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27
10	118.26	106.74	116.41	113.31	107.80	91.62	95.77	111.25	114.08
3	118.09	106.56	116.22	113.12	107.98	91.34	95.77	111.25	113.89
June 26	118.14	106.39	116.22	112.93	107.80	91.05	95.47	110.88	113.89
19	118.33	106.39	116.22	112.93	107.62	91.19	95.47	110.88	113.89
12	118.33	106.21	116.02	112.75	107.44	91.19	95.62	110.88	113.50
5	118.38	106.21	115.82	112.93	107.27	91.34	95.77	110.70	113.31
May 29	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70
Apr. 24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.56
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.76
High 1942	118.41	107.44	117.00	114.08	108.70	92.50	97.47	111.81	114.46
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.4
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.6
1 Year ago Oct. 6, 1941	119.13	107.98	118.40	115.24	109.06	92.20	97.31	112.00	116.02
2 Years ago Oct. 5, 1940	116.83	104.66	117.20	112.75	104.31	87.86	93.67	109.97	111.62

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Oct. 6	3.31	2.80	2.95	3.24	4.25	3.92	3.07	2.94
5	3.32	2.80	2.96	3.24	4.26	3.93	3.08	2.94
3	3.32	2.80	2.96	3.25	4.25	3.93	3.08	2.94
2	3.32	2.80	2.96	3.25	4.25	3.93	3.07	2.94
1	3.32	2.80	2.96	3.25	4.25	3.93	3.08	2.94
Sep. 30	3.32	2.80	2.96	3.25	4.26	3.93	3.08	2.94
29	3.32	2.80	2.96	3.24	4.26	3.94	3.08	2.94
28	3.32	2.80	2.96	3.24	4.26	3.93	3.08	2.94
26	3.32	2.80	2.96	3.25	4.26	3.93	3.08	2.95
25	3.32	2.80	2.96	3.24	4.27	3.94	3.08	2.95
24	3.32	2.80	2.97	3.25	4.27	3.94	3.08	2.96
23	3.32	2.80	2.97	3.25	4.27	3.94	3.07	2.96
22	3.33	2.80	2.97	3.26	4.27	3.94	3.08	2.95
21	3.32	2.80	2.97	3.25	4.27	3.95	3.08	2.95
19	3.32	2.80	2.97	3.25	4.26	3.94	3.08	2.95
18	3.32	2.80	2.97	3.25	4.27	3.95	3.07	2.95
17	3.32	2.80	2.97	3.25	4.27	3.95	3.07	2.95
16	3.33	2.80	2.98	3.25	4.27	3.96	3.07	2.95
15	3.32	2.80	2.98	3.25	4.26	3.95	3.07	2.96
14	3.33	2.80	2.98	3.25	4.27	3.96	3.07	2.96
12	3.33	2.81	2.98	3.26	4.27	3.96	3.07	2.96
11	3.33	2.81	2.98	3.26	4.27	3.96	3.07	2.96
10	3.33	2.81	2.98	3.26	4.26	3.96	3.07	2.95
9	3.33	2.80	2.99	3.26	4.26	3.96	3.08	2.94
8	3.33	2.81	2.99	3.26	4.26	3.96	3.08	2.95
7	EXCHANGE CLOSED							
5	3.33	2.80	2.99	3.26	4.27	3.97	3.08	2.95
4	3.33	2.80	2.99	3.26	4.27	3.97	3.08	2.95
3	3.33	2.81	2.99	3.26	4.27	3.97	3.08	2.95
2	3.33	2.81	2.99	3.26	4.27	3.97	3.09	2.95
1	3.34	2.81	2.99	3.27	4.27	3.97	3.08	2.95
Aug. 28	3.34	2.81	2.99	3.27	4.27	3.97	3.08	2.95
21	3.34	2.81	2.99	3.27	4.27	3.98	3.09	2.95
14	3.34	2.81	2.99	3.27	4.28	3.99	3.09	2.95
7	3.34	2.82	3.00	3.27	4.28	3.99	3.09	2.94
July 31	3.34	2.83	2.98	3.27	4.29	4.00	3.09	2.94
24	3.35	2.82	2.99	3.28	4.29	4.01	3.08	2.95
17	3.35	2.83	3.00	3.28	4.30	4.02	3.09	2.94
10	3.35	2.83	2.99	3.29	4.30	4.02	3.10	2.95
3	3.36	2.84	3.00	3.28	4.32	4.02	3.10	2.96
June 26	3.37	2.84	3.01	3.29	4.34	4.04	3.12	2.96
19	3.37	2.84	3.01	3.30	4.33	4.04	3.12	2.96
12	3.38	2.85	3.02	3.31	4.33	4.03	3.12	2.98
5	3.38	2.86	3.01	3.32	4.32	4.02	3.13	2.99
May 29	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97
Apr. 24	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
Mar. 27	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
Feb. 27	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
High 1942	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	3.31	2.80	2.95	3.24	4.24	3.91	3.07	2.93
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago Oct. 6, 1941	3.28	2.73	2.89	3.22	4.26	3.92	3.06	2.85
2 Years ago Oct. 5, 1940	3.47	2.79	3.02	3.49	4.57	4.16	3.17	3.08

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Sept. 17, 1942, page 995.

N. Y. Reserve Bank Index At Record In August

In August the seasonally adjusted index of production and trade computed at the Federal Reserve Bank of New York rose to a record level of 120% of estimated long term trend, two points above the figure for July and four points above that of August, 1941, the Bank announced on Sept. 29. A recovery in retail trade which got under way in July was continued in August and the aggregate volume of production advanced into new high ground. The Bank further stated:

"While production of consumers' durable goods continued the decline in evidence since July, 1941, there was an additional seven point rise in the output of producers' durable goods in August, reflecting still further progress in the production of many important war goods included in this category, and production of nondurable goods increased slightly further. Steel production was up somewhat between July and August, at a new high for the month. The output of crude petroleum was stepped up sharply, but bituminous coal mining ran somewhat below the July level.

"In respect to retail trade, department store sales advanced about 23% between July and August, and sales by mail order houses rose 9%; in both cases the gains were larger than usual. Variety chain sotre sales, which have shown no definite seasonal tendency at this time of the year, were 10% higher in August than in July."

INDEXES OF PRODUCTION AND TRADE
100=estimated long term trend

	1941 Aug.	1942 June	*July	*Aug.
Index of Production and Trade+	116	114	118	120
Production	116	123	126	128
Producers' goods—total	124	152	156	160
Producers' durable goods	131	177	184	191
Producers' nondurable goods	118	124	124	125
Consumers' goods—total	105	88	89	88
Consumers' durable goods	108	45	44	38
Consumers' nondurable goods	105	102	103	104
Durable goods—total	124	138	143	148
Nondurable goods—total	110	111	112	113
Primary distribution+	119	130	134	133
Distribution to consumer	115	84	89	94
Miscellaneous services	105	120	124	126

*Indexes are preliminary.

Series are adjusted individually for estimated long term trend and seasonal variation; those reported in dollars are also adjusted for price changes.

+For May, 1942, the index of production and trade has been revised to 113 and the index of primary distribution to 128.

August Hotel Sales Higher

In its October bulletin, Horwath & Horwath, New York public accounants, report that the trend of business in hotels in August showed a gain in total business over 1941 of 20%, a 3% increase over that for July and the largest in nearly eight years. Room sales are up 16% and total restaurant sales, 24%, and a notable point is that the total average occupancy at 75% is the highest since October, 1929, when it was exactly that.

The firm supplies the following statistical data:

AUGUST, 1942, COMPARED WITH AUGUST, 1941

	Sales, Increase or Decrease *Total	Rooms	Total Restaurant	Food	Beverages	Occupancy Aug., 1942	Aug., 1941	†Room Rate Increase or Decr
New York City	+25%	+16%	+34%	+31%	+40%	71%	63%	+ 2%
Chicago	+27	+26	+29	+24	+41	83	72	+ 9
Philadelphia	+34	+29	+42	+35	+58	74	57	0
Washington	+32	+25	+36	+40	+33	84	73	+ 8
Cleveland	+15	+11	+20	+20	+20	76	73	+ 6
Detroit	+25	+27	+22	+18	+30	83	67	+ 3
Pacific Coast	+ 6	+ 4	+10	+ 5	+20	80	76	— 2
Texas	+29	+29	+29	+26	+43	79	64	+ 4
All Others	+19	+15	+23	+18	+35	73	66	+ 4
Total	+20%	+16%	+24%	+20%	+35%	75%	68%	+ 4%
Year to Date	+11%	+11%	+13%	+11%	+23%	71%	68%	+ 4%

†The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

Electric Output For Week Ended Oct. 3, 1942 Shows 10.6% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Oct. 3, 1942, was 3,682,794,000 kwh., which compares with 3,330,582,000 kwh in the corresponding week last year, an increase of 10.6%. The output for the week ended Sept. 26, 1942, was 13.7% in excess of the similar period in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended Oct. 3	Sept. 26	Sept. 19	Sept. 5 & 12
New England	1.4	6.2	7.5	7.9
Middle Atlantic	4.2	8.2	10.2	7.5
Central Industrial	6.3	9.2	10.8	9.2
West Central	10.2	9.8	11.9	10.4
Southern States	15.3	19.9	19.8	13.9
Rocky Mountain	9.0	9.9	12.5	12.0
Pacific Coast	29.1	30.0	28.9	28.2
Total United States	10.6	13.7	14.8	12.4

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
July 4	3,424,188	2,903,727	+17.9	2,425,229	1,341,730	1,592,075
July 11	3,428,918	3,178,054	+ 7.9	2,651,626	1,415,704	1,711,625
July 18	3,565,367	3,199,105	+11.4	2,681,071	1,433,993	1,727,225
July 25	3,625,645	3,220,526	+12.6	2,760,935	1,440,386	1,723,031
Aug 1	3,649,146	3,263,082	+11.8	2,762,240	1,426,986	1,724,728
Aug 8	3,637,070	3,233,242	+12.5	2,743,284	1,415,122	1,729,667
Aug 15	3,654,795	3,238,160	+12.9	2,745,697	1,431,910	1,733,110
Aug 22	3,673,717	3,230,750	+13.7	2,714,193	1,436,440	1,750,056
Aug 29	3,639,961	3,261,149	+11.6	2,736,224	1,464,700	1,761,594
Sep 5	3,672,921	3,132,954	+12.4	2,591,957	1,423,977	1,674,588
Sep 12	3,583,408	3,222,346		2,773,177	1,476,442	1,806,259
Sep 19	3,756,922	3,273,375	+14.8	2,769,346	1,490,863	1,792,131
Sep 26	3,720,254	3,273,376	+13.7	2,816,358	1,499,459	1,777,854
Oct 3	3,682,794	3,330,582	+10.6	2,792,067	1,506,219	1,819,276
Oct 10		3,355,440		2,817,465	1,507,503	1,806,403
Oct 17		3,313,596		2,837,730	1,528,145	1,798,633
Oct 24		3,340,768		2,866,827	1,533,028	1,824,160

See Tax Revenue Drop And Wage Increases

As the capacity of industry to produce reaches flood tide, the Government will experience a decline in tax revenues if, at the same time, wages are continually increased, according to an article by Oliver F. Wadsworth appearing in the September issue of "The Exchange," publication of the New York Stock Exchange.

"This decline," Mr. Wadsworth says, "will reach tremendous proportions if the tax bill recently passed by the House of Representatives is adopted. The lack of recognition of this factor on the part of politicians and law makers has brought us to the very doorstep of the law of diminishing returns."

Mr. Wadsworth's article continues in part:

"Workers for the 'Little Steel' companies have recently been granted a minimum increase in wages of 44¢ a day, or approximately 5%, by the War Labor Board. The implications are that other increases will be granted in the future in order to keep pace with rising living costs. The tax bill passed by the House and now under consideration by the Senate calls upon industry to pay over to the Government 45% of normal earnings and 90% of earnings arising from war business. If this bill is passed and further wage increases are permitted, the Government will be promoting two factors it is trying desperately to avoid, namely, price inflation and declining tax receipts.

"How is it possible for tax receipts to decline when tax rates are so much higher? The answer to this question lies in the effect of increased wages at a time when other elements of price are being controlled and capacity production is being reached. Furthermore, the Government is setting the stage whereby increased funds will be put into the hands of those who are most apt to compete with it in the purchase of commodities urgently needed for the war effort."

Federal Employment At New High In July

The Civil Service Commission reported on Sept. 27 that the Executive Branch of the Government added 120,962 civilian employees during July to make its total employment 2,327,932 at the end of the month.

Associated Press Washington advices stated:

"The War Department accounted for most of the July increase with the addition of 87,680 workers during the month, bringing its total to 912,378, only 5,000 short of the World War peak for Government employees in the entire Executive Branch.

"The Navy added 26,641 employees in July, giving it a civilian roster of 475,683.

"The Office of Price Administration increased its staff by 9,399 to a total of 25,938.

"The July payroll was $382,373,859. All of the figures are exclusive of legislative, judicial and military personnel."

Moody's Daily Commodity Index

Tuesday, Sept. 29	235.0
Wednesday, Sept. 30	234.9
Thursday, Oct. 1	235.9
Friday, Oct. 2	236.4
Saturday, Oct. 3	236.4
Monday, Oct. 5	235.5
Tuesday, Oct. 6	234.6
Two weeks ago, Sept. 22	234.4
Month ago, Sept. 5	231.8
Year ago, Oct. 6	214.5
1941 High, Sept. 9	219.9
Low, Feb. 17	171.6
1942 High, Oct. 3	236.4
Low, Jan. 2	220.0

Engineering Construction For Week Up 82% Compared With Year Ago

Engineering construction tops the $200,000,000-mark for the sixth time in the past eight weeks, climbing to $203,321,000 for the period, according to "Engineering News-Record" on Oct. 1. The week's volume is 82% above that reported for the corresponding week last year, and 37% higher than in the preceding week. Public construction more than doubles last year's total, and is 39% above a week ago as a result of the 155 and 38% gains in Federal work. Private construction drops 45% from the 1941 week, but is 20% higher than last week. The report added:

The current week's total brings the 1942 volume to $7,835,927,000, an increase of 58% over the construction reported for the 40-week period in 1941. Private work, $483,847,000, is 51% below the volume for the period last year, but public construction, $7,352,080,000, is up 85% as a result of the 131% gain in Federal work.

Construction volumes for the 1941 week, last week, and the current week are:

	Oct. 2, 1941	Sept. 24, 1942	Oct. 1, 1942
Total Construction	$111,706,000	$147,699,000	$203,321,000
Private Construction	16,518,000	7,619,000	9,107,000
Public Construction	95,188,000	140,080,000	194,214,000
State and Municipal	23,169,000	7,344,000	10,382,000
Federal	72,019,000	132,736,000	183,832,000

In the classified construction groups, gains over last week are in waterworks, sewerage, bridges, public buildings, and unclassified construction. Increases over the 1941 week are in waterworks, sewerage, public buildings, streets and roads, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $3,963,000; sewerage, $3,057,000; bridges, $2,171,000; industrial buildings, $1,382,000; commercial buildings and large-scale private housing, $4,497,000; public buildings, $100,835,000; earthwork and drainage, $1,165,000; streets and roads, $23,345,000, and unclassified construction, $62,906,000.

New capital for construction purposes for the week totals $1,867,000. This volume, entirely State and municipal bond sales, compares with $30,143,000 reported for the corresponding week last year.

New construction financing for the year to date, $9,532,568,000, is 62% above the total for the 40-week period in 1941.

September Engineering Construction Up 39% As Federal Volume Gains

September engineering construction volume totaled $712,709,000, the highest September value ever reported by "Engineering News-Record." The month's total topped the corresponding period last year by 39%, but declined 12% from last month, says the "Engineering News-Record" on Oct. 2, which added:

Federal construction accounted for 91% of the September volume and rose 78% above a year ago. Despite a drop of 64% in State and municipal work, public construction was 53% higher than in the 1941 month as a result of the Federal gain. Private work, however, fell off 48% from last year.

Public work was 14% below the August total as Federal and State and municipal construction were 14 and 11% lower, respectively, than in the preceding month. On the other hand, private engineering volume climbed 16% over a month ago.

Construction volumes for September, 1941, August, 1942, and September, 1942 were:

	Sept., 1941 (four weeks)	Aug., 1942 (four weeks)	Sept., 1942 (four weeks)
Total Construction	$514,251,000	$813,077,000	$712,709,000
Private Construction	73,196,000	33,069,000	38,223,000
Public Construction	441,055,000	780,008,000	674,486,000
State and Municipal	77,886,000	31,618,000	28,106,000
Federal	363,169,000	748,390,000	646,380,000

Nine-Month 1942 Volume Gains

The September volume brought 1942 construction to $7,632,606,000, an increase of 58% over the total for the nine-month period last year, and already 30% higher than the $5,868,699,000 reported for the entire year 1941, the previous all-time high. Federal work made up 88% of the nine-month total and exceeded the volume for the period last year by 131%. This huge Federal gain offset a 54½% loss in State and municipal construction and boosted public work to a peak 85% above a year ago. The private construction volume, however, was 51% below the first threc-quarters of 1941.

New Capital

New capital for construction purposes totaled $11,957,000 for September. This compares with $457,416,000 reported for the corresponding month last year, and $18,494,000 for a month ago. The September new financing total was made up of $5,565,000 in corporate security issues, $5,356,000 in State and municipal bond sales, and $1,036,000 in RFC loans for public improvements.

New construction financing for the year to date, $9,530,701,000, exceeded the $5,860,877,000 for the nine months of 1941 by 63%. Included in the 1942 new capital were $8,966,898,000 in Federal construction funds, $169,889,000 in corporate securities, $181,759,000 in State and municipal bond sales, $129,455,000 in RFC loans for construction, and $82,700,000 in Federal aid for highway construction.

National Fertilizer Association Commodity Price Index Continues To Advance

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Oct. 5, continued to advance to new high levels. Rising for the fourth consecutive time, this index in the week ended Oct. 3, 1942 stood at 130.2% of the 1935-1939 average as 100; it was 130.0 in the preceding week, 129.0 a month ago, and 117.2 a year ago. The Association's report continued as follows:

The rise in the all-commodity index was due principally to continued advances in food and farm product quotations. The index of industrial commodities registered a small decline. Higher prices for cotton, wool, wheat, and hogs were responsible for a rise in the farm product price index to a new high level. In the food group rising prices for butter, cheese, corn meal, potatoes, beef, and soybean oil were sufficient to counterbalance the effect on the group index of declines in the price of lamb and chickens. The net result of these changes was a moderate increase in the food price index. A fractional advance was also recorded by the textiles index. A drop in the price of cattle feed lowered the miscellaneous commodities index fractionally.

During the week prices of 12 commodities advanced and 9 declined; in the preceding week there were 16 advances and 10 declines; in the second preceding week there were 16 advances and 11 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Oct. 3, 1942	Preceding Week Sept. 26, 1942	Month Ago Aug. 29, 1942	Year Ago Oct. 4, 1941
25.3	Foods	132.6	132.2	130.0	114.0
	Fats and Oils	141.8	141.2	141.3	130.3
	Cottonseed Oil	153.9	153.9	158.4	159.6
23.0	Farm Products	143.0	142.1	139.6	118.4
	Cotton	178.2	178.0	174.9	161.6
	Grains	119.4	119.0	111.4	108.6
	Livestock	143.3	142.0	140.9	112.2
17.3	Fuels	119.3	119.3	118.8	110.8
10.8	Miscellaneous commodities	126.3	126.7	126.8	127.5
8.2	Textiles	147.4	147.2	146.9	139.3
7.1	Metals	104.4	104.4	104.4	103.5
6.1	Building materials	151.5	151.5	151.4	131.0
1.3	Chemicals and drugs	120.7	120.7	120.7	111.9
.3	Fertilizer materials	117.9	117.9	117.8	114.3
.3	Fertilizers	115.3	115.3	115.3	107.1
.3	Farm machinery	104.1	104.1	104.1	99.7
100.0	All groups combined	130.2	130.0	129.0	117.2

*Indexes on 1926-1928 base were: Oct. 3, 1942, 101.4; Sept. 26, 101.3, Oct. 4, 1941, 91.3.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that production of soft coal continues to show little change in trend and amounted to 11,300,000 net tons for the week ended Sept. 26, which compares with 11,470,000 tons in the preceding week, and 11,386,000 tons in the corresponding week of 1941. Total production of soft coal to date shows an increase of 16.4% over the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Sept. 26 was estimated at 1,276,000 tons, an increase of 19,000 tons (1.5%) over the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 82,000 tons, or 6.9%. The calendar year to date shows a gain of 6.2% when compared with the corresponding period of 1941.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Sept. 26 showed a decrease of 500 tons when compared with the output for the week ended Sept. 19. The quantity of coke from beehive ovens increased 3,100 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS (000 OMITTED)

	Week Ended			January 1 to Date		
Bituminous and lignite coal—	Sept. 26 1942	*Sept. 19, 1942	Sept. 27, 1941	Sept. 26, 1942	Sept. 27, 1941	Sept. 25, 1937
Total, incl. mine fuel	11,300	11,470	11,386	422,153	362,626	322,991
Daily average	1,883	1,912	1,898	1,871	1,613	1,433

*Revised.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	§Sept. 26, 1942	Sept. 19, 1942	Sept. 27, 1941	Sept. 26, 1942	Sept. 27, 1941	Sept. 28, 1929
*Total incl. colliery fuel	1,276,000	1,257,000	1,194,000	44,725,000	42,129,000	52,254,000
†Commercial production	1,212,000	1,194,000	1,134,000	42,489,000	40,023,000	48,492,000
Beehive coke—						
United States total	160,000	156,900	143,300	5,827,000	4,764,600	5,132,000
By-product coke—						
United States total	1,204,700	1,205,200	‡	45,495,300	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

[In Thousands of Net Tons)]

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Sept. avge.
State—	Sept. 19, 1942	Sept. 12, 1942	Sept. 20, 1941	Sept. 21, 1940	Sept. 18, 1937	¶1923
Alaska	5	4	4	4	3	**
Alabama	375	321	320	263	256	406
Arkansas and Oklahoma	102	81	113	80	65	96
Colorado	168	148	156	134	135	214
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,250	1,193	1,116	984	1,005	1,587
Indiana	502	463	482	358	370	550
Iowa	46	47	52	67	75	117
Kansas and Missouri	174	162	155	126	138	168
Kentucky—Eastern	964	903	893	809	864	713
Kentucky—Western	278	222	210	168	169	248
Maryland	34	33	42	27	32	40
Michigan	7	7	4	8	15	27
Montana (bituminous and lignite)	85	78	66	47	60	68
New Mexico	36	28	25	15	27	56
North and South Dakota (lignite)	42	29	34	32	39	**27
Ohio	701	621	652	481	522	861
Pennsylvania (bituminous)	2,735	2,427	2,321	2,466	2,309	3,585
Tennessee	143	133	140	113	109	119
Texas (bituminous and lignite)	9	8	6	9	21	26
Utah	115	94	100	88	80	103
Virginia	383	379	397	313	298	245
Washington	33	34	40	31	35	58
*West Virginia—Southern	2,196	2,116	2,105	2,065	1,929	1,474
†West Virginia—Northern	907	795	820	668	565	857
Wyoming	179	138	155	115	127	165
‡Other Western States	††	††	1	1	1	**4
Total bituminous and lignite	11,470	10,465	10,410	9,473	9,249	11,814
§Pennsylvania anthracite	1,257	1,156	1,183	1,115	794	714
Total all coal	12,727	11,621	11,593	10,588	10,043	12,528

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

WPB Restricts Use Of Fats And Oils

The War Production Board on Sept. 22 established new limitations on the uses of fats and oils to permit building of a reserve supply of these commodities. Excepted from the new controls are cocoa butter, butter, wool greases, essential oils, mineral oil, vitamin-bearing oils, and others.

Fats and oils used in the manufacture of edible finished products, such as shortening, mayonnaise, salad dressing, and the like, are limited to 90% of the amount used, by quarters, of the average of the corresponding quarters of 1940 and 1941. Special exception is made for margarine, which is given a quota of 110%.

Soap, excluding that made from domestic vegetable oil "foot," is given a quota of 90%. Vegetable oil foots may be used up to 119% of the base period consumption. Paints, varnish, lacquer and other protective coatings are granted an 80% quota. Linoleum, oilcloth, oil or oleo resinous coated fabrics and pyroxolin coated fabrics, get a 70% quota, and the quota for printing inks is 90%. Press advices from Washington Sept. 22 also said:

"The order places no restrictions on the use of fats and oils in a finished food product where the oil is not the principal ingredient of the product. Thus there is no restriction on the baking industry, for example, where shortening is a necessary but not the principal ingredient.

"To round out the restriction program, wholesale sellers of linseed oil are restricted in total deliveries to 80% of the amount delivered in the corresponding base period. The order is made retroactive to Sept. 1, 1942, in that the first period is from Sept. 1 to Dec. 31, 1942. After Dec. 31 the order is applicable to regular calendar quarters.

"A blanket exemption is granted to all manufacturers using less than 6,000 pounds of fats and oils in a quarter. None of the restrictions apply to lend-lease orders, nor to military purchases of edible products. Inventory restrictions on finished products heretofore in effect are continued. There are no restrictions on inventories of raw materials."

Cut Govt. Publications

Elmer Davis, Director of the Office of War Information, issued on Sept. 25 the first in a series of orders cutting down Government publications and mailing lists. A total of 523 Federal publications and series of publications were affected by the order, with 239 being eliminated for the duration of the war and 284 curtailed, either in the number of pages, the mailing list or frequency of issuance.

According to United Press Washington advices, Mr. Davis took the following action:

"Abolished all general mailing lists of news releases and information bulletins.

"Made permanent for the duration a recent order eliminating 239 Government publications and curtailing 284 others.

"Ruled that releases may not be sent by telegraph to newspapers or other media of news dissemination without prior permission from the OWI unless sent at receiver's request and expense.

"Set up an inter-agency committee to recommend by Nov. 1 further discontinuances curtailments, or modifications in Governmental information material.

"Mr. Davis asked agencies involved to notify persons who have been receiving 'all releases and publications' that they will no longer receive them. Instead, the agencies will compile new mailing lists to include persons who specifically request certain information."

Automobile Financing And Diversified Financing For Month Of August

The number of passenger cars financed in August, 1942, by sales finance companies decreased 6% from July of this year, according to an announcement released on Sept. 30 by J. C. Capt, Director of the Census. The dollar volume of paper acquired in new passenger car financing, however, decreased only 4%. In used passenger car financing, the number of cars decreased 12%, the dollar volume of paper acquired, 10%. In new commercial car financing, month ago comparisons show that the number of cars decreased 13%, and the dollar volume of paper acquired, 7%; while the number and dollar volume of used commercial cars decreased 18% and 16%, respectively.

Retail automotive outstandings held by sales finance companies were reduced an average of 13% during August, 1942. A year ago comparison shows a 62% drop in these outstanding balances, as shown by an index of 178 for August 31, 1941 and an index of 67 for August 31, 1942.

Month ago comparisons show that the volume of wholesale automotive paper acquired by sales finance companies decreased 17% for new cars and 3% for used cars. The outstanding balances for this type of paper decreased 14% during August, 1942.

In retail diversified financing, month ago comparisons show increases in the financing of other household appliances (19%) and of radios and other musical instruments (3%); but decreases were recorded in the financing of refrigerators (34%), industrial, commercial, and farm equipment (33%), furniture (11%), and residential building repair and modernization (8%). In wholesale diversified financing, the volume of paper acquired was down 3% from July to August of this year.

During August, 1942, diversified outstanding balances held by sales finance companies declined 6% for the retail financing of other consumers' goods, 4% for industrial, commercial and farm equipment, and 12% for wholesale diversified financing (other than automotive).

The ratios of the paper acquired during August, 1942, to the outstanding balances as of August 31, 1942, were 5% for retail automotive, 4% for wholesale automotive, 11% for wholesale—other than automotive, 3% for retail—other consumers' goods, and 2% for industrial, commercial and farm equipment.

These data on the current trends of sales financing during August, 1942, were based on reports from 261 sales finance companies. Neither the dollar volumes nor the indexes should be used to indicate the total amount of financing by all sales finance companies in the United States. The data are published as reported without adjustment for seasonal or price fluctuations. The figures presented in tables below are not comparable to those published for previous months, since monthly reports have not been received each month from identical sales finance companies. All indexes for August were obtained by calculating the percent changes from July to August, as shown by data on reports for both months from the same sales finance companies, and by linking these percentages to the indexes previously derived for July, 1942.

Sales—Finance Companies

AUTOMOTIVE AND DIVERSIFIED FINANCING

Volume of Paper Acquired During August, 1942 and Balance Outstanding August 31, 1942

	Dollar volume of paper acquired during August, 1942			
Class of Paper—	By all companies	By all companies reporting outstanding balances†	Outstanding balances Aug. 31, 1942†	Ratio of paper acquired to outstand'g balances‡
Total retail automotive	$26,428,684	$25,782,102	$553,728,339	5
Total wholesale automotive	9,279,079	9,108,411	242,876,949	4
Total wholesale—other than automotive	525,934	483,107	4,257,984	11
Total retail—other consum. goods	6,341,674	6,096,798	201,429,776	3
Industrial, commercial and farm equipment	387,883	351,901	15,851,897	2
Total sales financings	$42,963,254	$41,822,319	$1,018,144,945	4

†Data are based on figures from sales finance companies able to report both their paper acquired and their outstanding balances.

‡Ratios obtained by dividing paper acquired (column 2) by outstanding balances (column 3).

AUTOMOTIVE FINANCING *

Number of Cars Financed and Volume of Paper Acquired During August, 1942

	Number of cars		Paper acquired	
Class of Paper—	Number	% of total	Dollar Volume	% of total
Total retail automotive	61,175	100	$25,603,123†	100
New passenger cars	5,715	9	4,592,895	18
New commercial cars	428	1	540,368	2
Used passenger cars	52,843	86	19,502,015	76
Used commercial cars	2,189	4	967,845	4
Total wholesale automotive	----	--	$7,712,229†	100
New cars (passenger and commercial)	----	--	5,329,404	69
Used cars (passenger and commercial)	----	--	2,382,825	31

*Data are based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing. †These amounts are less than those reported in above table due to the exclusion of some data for which breakdowns were not available.

DIVERSIFIED FINANCING *

Volume of Paper Acquired During August, 1942

Class of Paper	Dollar Volume	% of total
Retail—other consumers' goods:		
Furniture	$159,203	4
Radio, television sets, pianos & other musical instruments	73,784	2
Refrigerators (gas and electric)	182,960	4
Other household appliances	127,110	3
Residential building repair and modernization	2,120,540	51
Miscellaneous retail	588,814	14
Total retail—other consumers' goods	$3,252,411†	78
Total wholesale—other than automotive	525,934	13
Industrial, commercial, and farm equipment	387,883	9
Total diversified financing	$4,166,228	100

*Data are based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods. †This amount is less than that reported in first table due to the exclusion of some data for which breakdowns were not available.

Daily Average Crude Oil Production For Week Ended Sept. 26, 1942 Dropped 26,700 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Sept. 26, 1942 was 3,909,050 barrels, a decrease of 26,700 barrels from the preceding week, and 150,950 barrels less than the daily average for the corresponding period of 1941. The current figure also was 157,450 barrels below the daily average figure for the month of September, 1942, as recommended by the Office of Petroleum Coordinator. Daily production for the four weeks ended Sept. 26, 1942 averaged 3,857,500 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 85.6% of the 4,800,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,802,000 barrels of crude oil daily during the week ended Sept. 26, 1942, and that all companies had in storage at refineries, at bulk terminals, in transit and in pipe lines as of the end of that week, 80,550,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 10,954,000 barrels during the week ended Sept. 26, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

			—Actual Production—			
	*O.P.C. Recommendations September	*State Allowables Beginning Sept. 1	Week Ended Sept. 26 1942	Change From Previous Week	4 Weeks Ended Sept. 26 1942	Week Ended Sept. 27 1941
Oklahoma	415,300	415,300	†368,550	— 7,450	373,500	424,750
Kansas	285,300	291,900	†296,900	— 4,100	279,100	258,650
Nebraska	3,900	------	†3,300	----	3,300	6,650
Panhandle Texas			84,950	— 5,650	85,150	80,250
North Texas			137,950	+ 1,050	135,500	134,700
West Texas			217,100	+ 4,300	203,900	278,900
East Central Texas			86,450	+ 750	84,500	85,000
East Texas			362,400	----	344,550	369,700
Southwest Texas			165,300	+ 150	163,100	218,000
Coastal Texas			326,200	+ 1,500	313,900	292,300
Total Texas	1,397,800	‡1,430,363	1,380,350	+ 2,100	1,330,600	1,458,850
North Louisiana			98,500	— 1,400	98,200	80,200
Coastal Louisiana			231,550	— 8,850	235,900	255,100
Total Louisiana	334,800	347,800	330,050	— 10,250	334,100	335,300
Arkansas	81,900	75,439	73,000	— 350	72,800	75,600
Mississippi	50,200		†73,400	— 100	73,050	54,700
Illinois	289,200		262,350	+ 8,950	264,850	415,750
Indiana	19,300		†16,750	----	17,350	18,800
Eastern (not incl. Ill. & Ind.)	109,300		95,450	— 1,950	96,350	93,700
Michigan	66,700		63,000	+ 100	63,400	53,000
Wyoming	93,400		94,950	+ 300	91,250	88,500
Montana	22,800		21,700	----	21,700	20,600
Colorado	7,000		6,600	— 400	6,950	4,850
New Mexico	98,100	98,100	97,900	+ 250	97,150	114,500
Total East of Calif.	3,275,000		3,184,250	— 12,900	3,125,450	3,424,200
California	791,500	§791,500	724,800	— 13,800	732,050	635,800
Total United States	4,066,500		3,909,050	— 26,700	3,857,500	4,060,000

*O.P.C. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in June 1942 as follows: Oklahoma, 28,900; Kansas, 4,200; Texas, 99,000; Louisiana, 18,900; Arkansas, 2,800; New Mexico, 5,400; California, 39,700; other states, 19,700.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. Sept. 23.

‡This is the net basic allowable as of Sept. 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 15 days, the entire state was ordered shut down for 9 days, namely, Sept. 5, 6, 12, 13, 19, 20, 26, 27 and 30.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED SEPT. 26, 1942

(Figures in Thousands of barrels of 42 Gallons Each)

					Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis			
	Daily Refining Capacity		Crude Runs to Stills		Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
District—	Potential Rate	% Reporting	Daily Average	% Operated				
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,440	88.2	1,689	69.2	4,719	38,807	23,336	18,537
Appalachian	176	84.8	160	90.9	472	2,850	699	517
Ind., Ill., Ky.	804	83.3	746	92.8	2,498	14,143	6,330	3,527
Okla., Kansas, Mo.	416	80.1	352	84.6	1,170	6,558	1,961	1,334
Rocky Mountain	147	48.0	102	69.4	307	1,774	449	556
California	817	89.9	753	92.2	1,788	16,418	12,484	54,472
Tot. U. S. B. of M. basis Sept. 26, 1942	4,800	85.6	3,802	79.2	10,954	†80,550	45,259	78,943
Tot. U. S. B. of M. basis Sept. 19, 1942	4,800	85.6	3,713	77.4	11,097	§80,882	44,442	79,335
U. S. Bur. of Mines basis Sept. 27, 1941			4,031		13,503	80,005	51,629	94,197

*At the request of the Office of Petroleum Coordinator.

†Finished 71,831,000 bbls.; unfinished 8,719,000 bbls.

‡At refineries, at bulk terminals, in transit, and in pipe lines.

§Revised upward in combined area by 89,000 bbls. due to error by reporting company. Unfinished gasoline stocks are therefore also revised to 8,536,000 bbls.

Study Free Entry of Servicemen's Packages

The Treasury Department announced on Sept. 25 that it has been working with the War Department on new legislation to exempt from customs duties packages having a value up to $50 which are mailed home by service men abroad. An official of the Department was quoted as saying:

"The War Department has in hand a draft of legislation on which the Treasury Department has been consulted which would permit free entry on all servicemen's packages having a value up to $50. We are encouraging this proposal, and will give it our every support."

The official added that the present requirement that duty be paid on any dutiable articles in such shipments is not a matter of Treasury regulation but of law which the Treasury Department lacks power to waive.

Wheat Growers Urged To Grow War Crops

The U. S. Department of Agriculture on Sept. 24 urged wheat growers who are planning their production for 1943 to divert as much wheat acreage as they can to crops more needed in the war program, and designated the following crops as being especially important:

Flaxseed, dry beans, dry peas, cover crop seed, sugar beets, SxP and Sea Island cotton, hemp, peanuts for oil, soybeans for beans, castor beans, and certain feed grain crops (except corn in the commercial corn counties) to be designated in areas where such feed crops will produce as much or more feed than wheat. From the announcement we also quote:

"The Department said that farmers may select any of these crops which can be grown satisfactorily and substitute such crops acre for acre for wheat in earning 1943 AAA payments. The 1943 AAA program as now shaping up, will require farmers to seed at least 90% of their wheat acreage allotment either to wheat or the designated 'war crops' or feed grain crops in order to be in full compliance. Purpose of this requirement is to secure full wartime production from all available cropland.

"State AAA offices are being asked to designate immediately the feed crops which should be encouraged in place of wheat in their States. Price support programs will be developed wherever necessary to support prices of war crops; and of feed grains through support prices on livestock and livestock products.

"The list of approved crops will help wheat farmers in making plans to increase their 1943 production of these needed commodities. This year's bumper wheat crop, plus carryover, has resulted in a two-year supply which taxes storage and transportation facilities. It is most important that wheat growers divert just as much wheat acreage as possible to these other crops which are more greatly needed in the war program."

WPB Urges Businessmen Consult Regional Offices

The War Production Board on Sept. 22 again urged business men that whenever they wish to obtain information from WPB they should go to their regional or field offices before coming to Washington. The announcement said:

"We have 12 regional and 127 field offices scattered throughout the country. They were established in order to save business men the trouble of coming to Washington, and also to prevent an overload of work in Washington.

"When a business man comes to Washington instead of going to his regional or field office he not only undergoes considerable expense and inconvenience himself, but also increases the burden on the men in Washington. Furthermore, the business man can usually get quicker action in the field."

Russia To Receive Oil Refining Equipment

Secretary of the Treasury Morgenthau announced on Sept. 28 that the Procurement Division has signed letters of intent authorizing engineers to draw up plans for the purchase of equipment for a refinery plant to make aviation gasoline for Russia. It is indicated that the oil refining equipment will be shipped to Russia under the lend-lease act. Mr. Morgenthau did not disclose any details of the cost or capacity of the plant.

Revenue Freight Car Loadings During Week Ended Sept. 26, 1942 Totaled 897,714 Cars

Loading of revenue freight for the week ended Sept. 26, totaled 897,714 cars, the Association of American Railroads announced on Oct. 1. This was a decrease below the corresponding week in 1941, of 22,080 cars or 2.4%, but an increase above the same week in 1940, of 75,280 cars or 9.2%.

Loading of revenue freight for the week of Sept. 26 decreased 5,385 cars or 0.6% below the preceding week.

Miscellaneous freight loading totaled 524,757 cars, an increase of 3,930 cars above the preceding week, and an increase of 26,047 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 89,865 cars, an increase of 1,386 cars above the preceding week, but a decrease of 70,728 cars below the corresponding week in 1941.

Coal loading amounted to 171,728 cars, an increase of 2,464 cars above the preceding week, and an increase of 677 cars above the corresponding week in 1941.

Grain and grain products loading totaled 47,948 cars, a decrease of 2,642 cars below the preceding week, but an increase of 7,568 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Sept. 26 totaled 33,334 cars, a decrease of 2,226 cars below the preceding week, but an increase of 6,465 cars above the corresponding week in 1941.

Live stock loading amounted to 20,201 cars, an increase of 1,000 cars above the preceding week, and an increase of 3,688 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Sept. 26 totaled 16,015 cars, an increase of 1,032 cars above the preceding week, and an increase of 3,238 cars above the corresponding week in 1941.

Forest products loading totaled 50,062 cars, an increase of 45 cars above the preceding week and an increase of 3,772 cars above the corresponding week in 1941.

Ore loading amounted to 78,134 cars, a decrease of 11,278 cars below the preceding week, but an increase of 6,867 cars above the corresponding week in 1941.

Coke loading amounted to 14,019 cars, a decrease of 290 cars below the preceding week, but an increase of 129 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941, except the Eastern, Allegheny, Pocohontas, and Southern and all districts reported increases compared with the corresponding week of 1940 except the Eastern and Pocohontas.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Four weeks of April	3,351,038	2,793,630	2,495,212
Five weeks of May	4,170,713	4,160,060	3,351,840
Four weeks of June	3,385,769	3,510,057	2,896,953
Four weeks of July	3,321,568	3,413,435	2,822,450
5 weeks of August	4,350,948	4,463,372	3,717,933
Week of Sept. 5	887,960	797,791	695,094
Week of Sept. 12	814,885	914,656	804,265
Week of Sept. 19	903,099	907,969	813,329
Week of Sept. 26	897,714	919,794	822,434
Total	32,236,179	31,267,749	26,590,040

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Sept. 26, 1942. During this period only 53 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED SEPT. 26

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	284	649	544	1,240	1,592
Bangor & Aroostock	894	930	746	167	361
Boston & Maine	6,318	9,121	7,807	13,920	13,713
Chicago, Indianapolis & Louisville	1,467	1,697	1,769	1,932	2,545
Central Indiana	38	27	15	53	67
Central Vermont	1,047	1,488	1,326	2,886	2,586
Delaware & Hudson	6,609	7,839	5,219	10,863	11,695
Delaware, Lackawanna & Western	7,603	10,428	9,226	10,515	9,025
Detroit & Mackinac	479	317	430	217	182
Detroit, Toledo & Ironton	1,676	2,496	2,383	1,319	1,238
Detroit & Toledo Shore Line	283	351	320	3,048	3,601
Erie	13,434	16,443	14,214	16,568	16,104
Grand Trunk Western	4,475	5,633	5,235	8,968	8,895
Lehigh & Hudson River	158	203	258	2,891	2,792
Lehigh & New England	2,285	1,431	1,810	2,213	1,849
Lehigh Valley	8,837	9,579	9,907	14,386	9,744
Maine Central	2,320	3,254	2,832	2,551	2,632
Monongahela	6,156	6,700	5,150	399	422
Montour	2,425	2,670	2,301	30	46
New York Central Lines	49,713	53,409	49,040	56,318	52,250
N. Y., N. H. & Hartford	9,090	12,781	10,597	19,412	16,009
New York, Ontario & Western	1,434	1,702	1,215	2,529	2,464
New York, Chicago & St. Louis	8,096	7,455	6,493	16,449	14,262
N. Y., Susquehanna & Western	365	557	352	2,660	1,785
Pittsburgh & Lake Erie	7,915	8,749	7,988	8,944	8,839
Pere Marquette	5,526	6,769	6,494	6,111	6,795
Pittsburg & Shawmut	850	857	956	16	41
Pittsburg, Shawmut & North	346	416	386	236	516
Pittsburgh & West Virginia	1,067	1,294	1,111	3,025	2,801
Rutland	424	616	642	951	1,305
Wabash	6,129	6,109	5,645	12,864	10,979
Wheeling & Lake Erie	5,560	5,780	4,739	4,802	4,384
Total	163,303	187,750	167,150	228,483	211,519
Allegheny District—					
Akron, Canton & Youngstown	752	736	568	1,229	1,058
Baltimore & Ohio	42,275	42,976	36,871	26,452	23,628
Bessemer & Lake Erie	6,862	6,307	6,688	2,517	2,167
Buffalo Creek & Gauley	295	320	320	4	7
Cambria & Indiana	1,915	1,953	1,635	9	9
Central R. R. of New Jersey	7,614	8,232	6,979	21,040	16,004
Cornwall	674	651	643	39	55
Cumberland & Pennsylvania	235	288	244	19	26
Ligonier Valley	161	119	138	57	33
Long Island	1,215	950	785	3,382	2,986
Penn-Reading Seashore Lines	1,933	2,038	1,607	2,437	2,201
Pennsylvania System	82,968	91,967	75,781	67,255	59,415
Reading Co.	15,093	17,535	15,254	28,874	24,663
Union (Pittsburgh)	20,326	21,004	19,540	7,894	6,821
Western Maryland	4,288	4,605	3,754	12,543	9,467
Total	186,606	199,681	170,807	173,751	148,540
Pocahontas District—					
Chesapeake & Ohio	28,247	30,228	27,680	13,875	13,380
Norfolk & Western	23,375	25,109	23,799	8,011	6,553
Virginian	4,790	4,584	4,940	2,264	2,143
Total	56,412	59,921	56,419	24,150	22,076
Southern District—					
Alabama, Tennessee & Northern	351	367	322	335	282
Atl. & W. P.—W. R. R. of Ala.	681	945	942	3,174	2,196
Atlanta, Birmingham & Coast	712	845	732	1,153	1,084
Atlantic Coast Line	11,268	10,672	9,613	10,479	7,234
Central of Georgia	4,800	4,563	4,239	5,341	3,996
Charleston & Western Carolina	393	458	480	1,615	1,600
Clinchfield	1,757	1,775	1,509	2,671	2,797
Columbus & Greenville	530	436	273	325	360
Durham & Southern	131	188	199	819	521
Florida East Coast	763	412	459	1,780	1,000
Gainesville Midland	40	35	32	109	74
Georgia	1,398	1,357	1,284	2,560	2,326
Georgia & Florida	321	442	307	576	627
Gulf, Mobile & Ohio	4,581	4,506	3,014	4,532	3,536
Illinois Central System	32,017	29,886	25,757	18,549	15,121
Louisville & Nashville	26,519	27,985	26,238	12,412	9,182
Macon, Dublin & Savannah	197	204	140	597	675
Mississippi Central	222	239	169	610	347
Nashville, Chattanooga & St. L.	3,884	3,835	3,219	4,567	3,326
Norfolk Southern	1,373	1,594	1,361	2,069	1,543
Piedmont Northern	321	495	400	1,286	1,614
Richmond, Fred. & Potomac	424	498	419	8,890	5,889
Seaboard Air Line	10,202	10,296	9,522	8,710	7,017
Southern System	23,703	26,022	24,027	24,399	20,604
Tennessee Central	538	539	534	1,031	763
Winston-Salem Southbound	119	185	181	1,090	1,094
Total	127,245	128,779	115,372	119,679	94,808
Northwestern District—					
Chicago & North Western	20,509	22,803	22,525	15,174	14,437
Chicago Great Western	2,843	3,149	3,018	3,623	3,750
Chicago, Milw., St. P. & Pac.	21,349	24,174	22,430	10,939	10,410
Chicago, St. Paul, Minn. & Omaha	4,037	4,841	4,391	4,645	4,796
Duluth, Missabe & Iron Range	28,415	24,227	20,129	449	294
Duluth, South Shore & Atlantic	1,214	1,211	1,288	1,267	685
Elgin, Joliet & Eastern	9,977	10,439	9,726	10,804	8,882
Ft. Dodge, Des Moines & South	540	710	741	110	205
Great Northern	26,673	25,212	24,493	6,149	4,550
Green Bay & Western	497	651	555	811	780
Lake Superior & Ishpeming	2,109	2,106	3,410	63	94
Minneapolis & St. Louis	2,141	2,066	2,456	2,519	2,364
Minn., St. Paul & S. S. M.	8,649	8,026	7,400	3,339	3,428
Northern Pacific	14,383	13,172	11,648	5,773	5,149
Spokane International	267	201	269	579	354
Spokane, Portland & Seattle	2,809	2,725	2,143	3,252	2,612
Total	146,412	145,713	136,622	69,496	62,790
Central Western District—					
Atch., Top. & Santa Fe System	25,626	23,117	20,867	12,810	9,524
Alton	3,149	3,417	3,057	4,780	2,941
Bingham & Garfield	650	668	611	113	104
Chicago, Burlington & Quincy	21,138	18,836	17,907	12,717	11,429
Chicago & Illinois Midland	2,466	2,770	2,357	882	1,134
Chicago, Rock Island & Pacific	13,666	14,060	13,300	12,669	11,423
Chicago & Eastern Illinois	2,852	2,912	3,018	4,022	3,043
Colorado & Southern	1,089	917	666	2,058	1,730
Denver & Rio Grande Western	4,783	4,242	4,278	6,807	5,398
Denver & Salt Lake	986	1,038	1,112	24	42
Fort Worth & Denver City	1,515	1,016	1,076	1,668	1,209
Illinois Terminal	1,903	2,034	1,760	2,315	2,029
Missouri-Illinois	1,267	1,181	908	460	475
Nevada Northern	2,273	2,015	1,855	118	133
North Western Pacific	1,147	1,263	907	667	558
Peoria & Pekin Union	11	7	6	0	0
Southern Pacific (Pacific)	34,037	32,985	27,314	11,247	8,099
Toledo, Peoria & Western	398	382	357	1,713	1,696
Union Pacific System	17,315	17,948	15,694	17,138	13,977
Utah	660	571	600	3	14
Western Pacific	2,674	2,476	1,831	4,096	3,632
Total	139,605	133,855	119,481	96,307	78,590
Southwestern District—					
Burlington-Rock Island	796	238	182	230	276
Gulf Coast Lines	4,981	3,200	2,635	3,067	2,102
International-Great Northern	2,954	2,074	2,014	3,069	2,184
Kansas, Oklahoma & Gulf	388	297	271	1,145	1,249
Kansas City Southern	5,425	2,797	2,489	2,906	2,952
Louisiana & Arkansas	3,873	2,853	2,028	2,375	2,189
Litchfield & Madison	296	352	408	1,244	1,207
Midland Valley	799	964	661	247	330
Missouri & Arkansas	245	197	224	374	429
Missouri-Kansas-Texas Lines	6,016	5,037	4,757	4,997	3,815
Missouri Pacific	20,107	19,320	17,146	21,440	13,738
Quanah Acme & Pacific	118	113	138	251	172
St. Louis-San Francisco	10,152	10,738	8,727	8,551	6,152
St. Louis Southwestern	3,416	3,545	2,912	6,693	3,617
Texas & New Orleans	13,487	7,943	7,492	5,225	4,082
Texas & Pacific	4,922	4,232	4,337	7,710	5,416
Wichita Falls & Southern	138	174	146	34	60
Weatherford M. W. & N. W.	18	21	16	38	49
Total	78,131	64,095	56,583	69,596	50,019

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
1942—Week Ended—					
June 6	110,226	120,374	283,390	69	95
June 13	115,300	125,016	274,512	72	94
June 20	98,766	117,924	248,594	69	93
June 27	104,178	120,359	231,368	72	92
July 4	94,257	100,337	223,809	59	91
July 11	92,481	77,996	236,536	52	90
July 18	103,559	114,917	226,341	71	90
July 25	112,513	120,982	219,700	74	89
Aug. 1	119,023	125,653	213,443	76	89
Aug. 8	114,969	121,035	208,769	75	88
Aug. 15	120,262	122,735	208,206	73	88
Aug. 22	124,763	119,299	213,890	74	87
Aug. 29	122,236	124,440	212,953	77	87
Sept. 5	129,486	124,580	218,539	78	87
Sept. 12	106,933	101,891	222,636	65	86
Sept. 19	138,477	132,212	228,355	81	86
Sept. 26	129,503	131,173	224,926	78	86

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 2 a summary for the week ended Sept. 26, 1942, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Sept. 26, 1942	Total for week
Odd-lot Sales by Dealers:	
(Customers' Purchases)	
Number of Orders	11,171
Number of Shares	311,970
Dollar Value	10,454,753
Odd-lot Purchases by Dealers—	
(Customers' Sales)	
Number of Orders:	
Customers' short sales	97
*Customers' other sales	12,254
Customers' total sales	12,351
Number of Shares:	
Customers' short sales	3,340
*Customers' other sales	319,058
Customers' total sales	322,398
Dollar Value	8,793,312
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	50
†Other sales	100,940
Total sales	100,990
Round-lot Purchases by Dealers—	
Number of shares	86,800

***Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."**

Lumber Movement—Week Ended Sept. 26, 1942

Lumber production during the week ended Sept. 26, 1942, was 2% greater than the previous week, shipments were 1% less, new business 11% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 2% above production; new orders 5% above production. Compared with the corresponding week of 1941, production was 9% less, shipments 9% less, and new business 1% less. The industry stood at 128% of the average of production in the corresponding week of 1935-39 and 130% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first 38 weeks of 1942 was 4% below corresponding weeks of 1941; shipments were 3% above the shipments, and new orders 7% above the orders of the 1941 period. For the 38 weeks of 1942, new business was 20% above production, and shipments were 13% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 72% on Sept. 26, 1942, compared with 38% a year ago. Unfilled orders were 37% greater than a year ago; gross stocks were 27% less.

Softwoods and Hardwoods

Record for the current week ended Sept. 26, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

SOFTWOODS AND HARDWOODS

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	448	448	451
Production	263,415	289,101	258,819
Shipments	269,897	295,692	273,967
Orders	275,411	279,138	309,074

	Softwoods 1942 Week	Hardwoods 1942 Week
Mills	367	95
Production	253,416—100%	9,999—100%
Shipments	256,223—101	13,674—137
Orders	263,263—104	12,148—121

Trading On New York Exchanges

The Securities and Exchange Commission made public on Oct. 2 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Sept. 19, 1942, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Sept. 19 (in round-lot transactions) totaled 676,562 shares, which amount was 15.35% of total transactions on the Exchange of 2,203,240 shares. This compares with member trading during the previous week ended Sept. 12 of 477,949 shares, or 14.27% of total trading of 1,675,020 shares. On the New York Curb Exchange, member trading during the week ended Sept. 19 amounted to 100,070 shares, or 13.47% of the total volume of that Exchange of 371,545 shares; during the preceding week trading for the account of Curb members of 62,930 shares was 11.24% of total trading of 280,200 shares.

The Commission made available the following data for the week ended Sept. 19:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	963	683
1. Reports showing transactions as specialists	167	85
2. Reports showing other transactions initiated on the floor	138	16
3. Reports showing other transactions initiated off the floor	152	41
4. Reports showing no transactions	587	561

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED SEPT. 19, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	46,270	
‡Other sales	2,156,970	
Total sales	2,203,240	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	161,850	
Short sales	21,340	
‡Other sales	108,750	
Total sales	130,090	6.63
2. Other transactions initiated on the floor—		
Total purchases	130,810	
Short sales	8,000	
‡Other sales	89,620	
Total sales	97,620	5.18
3. Other transactions initiated off the floor—		
Total purchases	89,562	
Short sales	6,620	
‡Other sales	60,000	
Total sales	66,620	3.54
4. Total—		
Total purchases	382,232	
Short sales	35,960	
‡Other sales	258,370	
Total sales	294,330	15.35

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED SEPT. 19, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	2,805	
‡Other sales	368,740	
Total sales	371,545	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	27,665	
Short sales	2,405	
‡Other sales	32,565	
Total sales	34,970	8.43
2. Other transactions initiated on the floor—		
Total purchases	7,015	
Short sales	0	
‡Other sales	3,840	
Total sales	3,840	1.43
3. Other transactions initiated off the floor—		
Total purchases	10,510	
Short sales	200	
‡Other sales	15,870	
Total sales	16,070	3.58
4. Total—		
Total purchases	45,190	
Short sales	2,605	
‡Other sales	52,275	
Total sales	54,880	13.47
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	*0	
§Customers' other sales	24,338	
Total purchases	24,338	
Total sales	11,984	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Labor Bureau Reports Continued Farm Price Advances Again Raise Wholesale Index

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Oct. 1 that continued advances in primary market prices for domestic agricultural products, largely grains, livestock and dairy products, during the week ended Sept. 26 again brought the Bureau's comprehensive price index up 0.1%, to 99.4% of the 1926 level. In the past month the general level of wholesale prices has risen 0.5% and is 9% higher than at this time last year.

The Bureau's announcement further stated:

"Farm Products and Foods—Average wholesale prices of farm products rose 0.2% during the week, led by increases of 1.5% for grains and 1.2% for livestock and poultry. Livestock markets continued strong through the early part of the current week, but there was little further movement in grain prices. Wheat and oats were up about 1% and barley advanced sharply. Hops also advanced sharply. Lower prices were reported for calves, live poultry, for corn and rye and for cotton, hay and fruits and vegetables. Farm product prices are 1.2% higher than at this time last month and in the past year have risen over 19%.

"Average prices for foods in primary markets remained unchanged from a week ago, 102.0% of the 1926 level. Butter in the Chicago market continued to advance, reaching the highest point since September 1929. Quotations were also higher for cheese and eggs, for flour, and for canned apricots and peaches. Lower prices were reported for dressed poultry in the New York market and for mutton. Average prices for cattle feed dropped nearly 1%.

"Industrial Commodities—Prices for industrial commodities continued comparatively steady under the influence of Government regulation. A further sharp drop occurred in prices for Brazilian goatskins. Raw jute advanced nearly 2% and turpentine again rose 4.5%.'

The Bureau makes the following notation:

During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor statistics wil attempt promtly to report changing prices. The indexes marked (*) however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Aug. 29, 1942 and Sept. 27, 1941 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity groups	9-26 1942	9-19 1942	9-12 1942	8-29 1942	9-27 1941	Percentage changes to Sept. 26, 1942 from— 9-19 1942	8-29 1942	9-27 194
All commodities	*99.4	*99.3	*99.2	*98.9	91.2	+0.1	+0.5	+ 9.
Farm products	107.3	107.1	107.2	106.0	89.9	+0.2	+1.2	+19.4
Foods	102.0	102.0	101.6	100.7	87.6	0	+1.3	+16.4
Hides and leather products	118.4	118.6	119.0	118.9	112.3	—0.2	—0.4	+ 5.4
Textile products	96.7	96.6	96.7	96.6	89.6	+0.1	+0.1	+ 7.9
Fuel and lighting materials	79.6	79.6	79.6	79.6	80.1	0	0	— 0.
Metals and metal products	*103.9	*103.9	*103.9	*103.9	98.7	0	0	+ 5.
Building materials	110.5	110.4	110.3	110.3	106.6	+0.1	+0.2	+ 3.
Chemicals and allied products	96.2	96.2	96.2	96.2	88.1	0	0	+ 9.
Housefurnishing goods	104.1	104.1	104.1	104.1	98.3	0	0	+ 5.
Miscellaneous commodities	88.6	88.6	88.6	88.6	85.1	0	0	+ 4.
Raw materials	101.5	101.5	101.6	100.8	89.0	0	+0.7	+14.
Semimanufactured articles	92.8	92.8	92.7	92.6	90.3	0	+0.2	+ 2.
Manufactured products	*99.5	*99.4	*99.3	*99.2	92.7	+0.1	+0.3	+ 7.
All commodities other than farm products	*97.7	*97.6	*97.5	*97.4	91.5	+0.1	+0.3	+ 6.
All commodities other than farm products and foods	*95.7	*95.7	*95.7	*95.7	92.0	0	0	+ 4.

*Preliminary.

Non-Ferrous Metals—Higher Tin Quotas To Be Granted—Copper Allocations May Be Higher

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Oct. 1 stated: "The International Tin Committee stands ready to raise the standard tonnages of countries producing tin still under its control in the event that output can be increased, it was announced in London during the last week. The export quotas of tin producers were continued at 105%. The public hearing held on Sept. 24 in Washington on the manpower problem at non-ferrous metal mines in the United States uncovered little that was new. OPA allowed the ceiling price on silicomanganese to advance $7 per gross ton, owing to the higher cost of raw materials." The publication further went on to say in part:

Copper

From present indications, more copper will be allocated to consumers during October than in the month previous. War industries obtained certificates for copper on a more liberal scale than in prior months. Non-essential uses for copper are dropping out of the picture. Quotations held at 12¢, Valley, on domestic business, with foreign copper at 11.75¢, f.a.s. on sales to Metals Reserve.

The trade was interested in a statement to the press by Senator Bunker, Nevada, to the effect that Anaconda Copper Mining Co. has purchased Basic Magnesium, Inc., for $75,000,000 from the Defense Plant Corp. Officials of Anaconda did not comment on the report.

Excepting shipboard cable, production of armored cable will be prohibited by WPB, effective Oct. 19. Limitation order L-165, covering this material, was issued largely to conserve steel.

Lead

Aside from passing on matters connected with allocating foreign lead to be released by Metals Reserve for October, the meeting held in Washington on Sept. 29 was a routine affair. The question of easing the lead conservation order is expected to come up for consideration at a meeting of the advisory committee on lead scheduled for next week. The trade remains fairly optimistic over prospects that something will be done soon to promote larger consumption of lead under prevailing comfortable supply conditions.

Sales of lead booked during the last week were small. Activity in lead will increase as soon as producers open their books for November business, which may occur in a few days. Quotations continued at 6.50¢, New York, and at 6.35¢, St. Louis.

Zinc

Activity in zinc centered in taking care of October allocations that reached the market early last week. Authorities in Washington are giving increased attention to the grades being specified by consumers. In many instances, it is felt consumers have been asking for high purity zinc when other grades might suffice. Demand for High Grade zinc for war purposes is greater than ever, with production facilities still expanding.

The price situation in zinc was unchanged. Prime Western continued last week on the basis of 8.25¢ per pound, St. Louis.

Tin

The Tin-Lead Branch of WPA has notified consumers that the stockpile of tin is such that "Grade A" tin will be allocated in the future without regard to brand. "Grade A" tin is guaranteed 99.8% tin and covers all the regular brands of Straits, Dutch, Belgian, Australian, English, and American tin that meet the specifications fixed in the Government's price regulations. Consumers who ask for a specific grade will be required to indicate "why you require this brand." A quantity of Chinese tin is contained in the stockpile, the trade was informed, and consumers have been asked to declare whether they can use this grade to cover part or all of their requirements.

The International Tin Committee, according to an announcement made in London on Sept. 28, set export quotas for the tin-producing areas still under its control at 105% of standard tonnages until further notice, continuing the percentage now in effect. If any territory should be able to exceed the rate of production agreed upon, the Committee stands ready to adjust the quota upward.

Electrolytic tin-plate is offered by a large producer at $4.50 per base box, or 50¢ below the price prevailing on hot-dip tin-plate.

Straits quality tin for future delivery was nominally as follows:

	Oct.	Nov.	Dec.
Sept. 24	52.000	52.000	52.000
Sept. 25	52.000	52.000	52.000
Sept. 26	52.000	52.000	52.000
Sept. 28	52.000	52.000	52.000
Sept. 29	52.000	52.000	52.000
Sept. 30	52.000	52.000	52.000

Chinese tin, 99%, spot, 51.125¢ all week.

Silicomanganese

The maximum price of silicomangese will be permitted to rise $7 per long ton on Oct. 3, the Office of Price Administration announced during the last week. Current production is being concentrated in the 1.5% carbon grade, for which the new price maximum will be $135 per ton, compared with $128 previously. The new price authorized by OPA brings it more nearly in line with other manganese products, it was stated in making the upward revision. Because of the increased cost of manganese ore, due to the war, the old price did not cover the cost of producing silicomanganese.

Quicksilver

Quicksilver is included among the non-ferrous metals affected by recent labor regulations that virtually "freeze" miners to their jobs to maintain production. Nearby production of quicksilver appears to be well sold up and quotations continued at $194.43 to $198.08 per flask in the New York market.

Silver

The War Production Board extended the date for use of foreign silver in restricted items from Oct. 1 to Nov. 15. The amended regulation refers to metal put into process before Oct. 1.

The London market for silver was steady at 23½d throughout the week. The New York Official on foreign silver continued at 44¾¢, and the Treasury's buying basis held at 35¢.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" of July 31, 1942, page 380.

Items About Banks, Trust Companies

Stephen B. Edwards, elected a charter member of the New York Curb Exchange on March 16, 1911, died on Sept. 29 at his home in Brooklyn. He was 61 years old. Mr. Edwards was a general partner in the stock brokerage firm of H. P. Armstrong & Co. until its dissolution on Dec. 15, 1921, after which time he remained a member of the Exchange without firm affiliation.

The statement of the Chase National Bank of New York for Sept. 30, made public Oct. 2, shows deposits of the bank at the end of September as $3,628,466,000, which is slightly above the maximum previously reported by the bank and compares with $3,595,451,000 on June 30, 1942, and $3,587,562,000, on Sept. 30, 1941. Total resources amounted Sept. 30 to $3,899,956,000 compared with $3,869,464,000 on June 30, 1942 and $3,856,799,000 on Sept. 30, 1941; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, now at $945,679,000, compared with $1,137,399,000 and $1,328,312,000 on the respective dates; investments in United States Government securities, $1,796,736,000 contrast with $1,573,405,000 and $1,339,079,000; loans and discounts, $808,540,000 compare with $822,753,000 and $773,036,000. On Sept. 30, 1942, the capital of the bank was $100,270,000 and the surplus $100,270,000, both amounts unchanged. The undivided profits account on Sept. 30, 1942, amounted to $44,109,000 compared with $40,800,000 on June 30, 1942 and $40,441,000 on Sept. 30, 1941. Earnings of the bank for the third quarter of 1942, after increased allowance for taxes, amounted to 45 cents per share, compared with 44 cents a share in the third quarter of 1941.

J. P. Morgan & Co. Incorporated, New York, in its condensed statement of condition as of Sept. 30, 1942, shows total resources of $712,834,594 and total deposits of $669,293,504, compared with $681,825,785 and $633,335,602 on June 30, 1942. According to the current statement, cash on hand and due from banks, amounts to $185,462,847, against $202,136,563 three months ago; United States Government securities (direct and fully guaranteed) on Sept. 30 are given as $403,675,163, compared with $356,217,254; State and municipal bonds notes are now $31,174,696, against $23,863,894, and loans and bills purchased were reported at $62,605,218 at the end of September, as against $66,749,554 on June 30. The capital and surplus are unchanged at $20,000,000 each, while undivided profits are also the same as three months ago, $1,315,887.

The First National Bank of the City of New York, in its report of condition at the close of business Sept. 30, 1942, shows total resources of $781,558,590 and total deposits of $656,302,443, compared with $838,749,645 and $712,680,670, respectively, on June 30, 1942. Cash and due from banks, including exchanges, are given as $164,499,489, against $224,356,236; holdings of United States Government obligations are listed as $428,741,515, compared with $427,082,718; and loans and discounts are shown as $51,961,670, against $50,956,804. Capital and surplus remain unchanged at $10,000,000 and $100,000,000, respectively. Undivided profits in the current statement are shown as $10,644,528, after making provision for the Oct. 1 dividend of $2,000,000, as compared with $10,786,919 on June 30, after providing for the July 1 dividend of $2,000,000.

The Chemical Bank & Trust Co., New York City, reported as of Sept. 30, 1942 deposits of $929,879,923 and total assets of $1,020,722,009, compared, respectively, with $953,635,049 and $1,039,758,858 on Sept. 30, 1941. Cash on hand and due from banks at the end of September amounted to $247,616,665, against $371,130,378 a year ago; holdings of U. S. Government obligations (direct and fully guaranteed) are $357,040,968, compared with $304,326,713; and loans and discounts are reported at $170,522,303, against $159,869,225. Capital and surplus are unchanged from a year ago at $70,000,000, while undivided profits are now reported at $10,007,757, compared with $8,607,434 a year ago. The bank showed indicated earnings for the third quarter ending Sept. 30 of 62 cents per share, as against 57 cents for the same period last year.

At a meeting of the Board of Directors of the Chemical Safe Deposit Company of New York, held Sept. 29 Stephen M. Livingston was elected President to succeed Henry L. Servoss who retired on Sept. 30. Mr. Livingston entered the employ of the Chemical Bank on Nov. 1, 1905. He was appointed an Assistant Treasurer of the Safe Deposit Company in 1926 and has served that Company as Vice-President since 1938.

The statement of condition of the Guaranty Trust Company of New York as of Sept. 30, 1942, issued Oct. 5, shows total resources of $2,665,869,170 and deposits of $2,317,400,733 as compared with total resources of $2,587,712,319 and deposits of $2,289,224,763 at the time of the Company's last published statement, June 30, 1942. The current statement shows holdings of U. S. Government obligations of $1,485,418,916 as compared with $1,306,319,483 on June 30. The company's capital, surplus, and undivided profits remain unchanged at $90,000,000, $170,000,000 and $19,470,856 respectively.

The statement of condition of Manufactures Trust Company as of Sept. 30, 1942 shows deposits of $1,112,353,210 and resources of $1,207,153,258. These figures compare with deposits of $985,665,790 and resources of $1,082,462,811 on Sept. 30, 1941. Cash and due from banks is listed Sept. 30 at $334,502,993 as against $354,140,771 a year ago. The figures of United States Government securities stand at $449,103,424; one year ago the total was $340,293,966. Loans and bills purchased now amount to $305,236,225, which compares with $270,305,220 a year ago. Preferred stock is shown in the latest statement as $8,599,540, common as $32,998,440, and surplus and undivided profits as $43,913,049. Net operating earnings for the three months ending Sept. 30, 1942, after amortization, taxes, etc., as well as dividends on preferred stock was $1,651,071, or $1 a share. Of this amount, $824,959 was paid in dividends on the Common Stock, and $826,112 was credited to Undivided Profits.

Brown Brothers Harriman & Co., private bankers, report deposits as of Sept. 30, 1942 of $136,102,334 compared wtih $139,381,529 three months ago and $129,302,370 a year ago. Total assets on Sept. 30 amounted to $157.274.662 compared with $161,700,601 on June 30 of this year and $151,513,263 on Sept. 30 last year. Capital and surplus amounted to $13,426,165, up from $13,405,915 three months ago and $13,345,624 a year ago. Loans and advances on Sept. 30 were $28,186,998 against $28.592,885 on June 30 and $32,469,331 on Sept. 30, 1941. Other important asset items compare as follows with the figures of three months ago and a year ago: Cash, $37,268,543 against $41,475,856 and $38,307,662; United States Government securities (valued at lower of cost or market), $59,654,231 compared with $59,686,418 and $46,981,813; marketable bonds and stocks (valued at lower of cost or market), $13,901,250 against $13,524,301 and $12,246,996.

The New York Trust Company reports as of the close of business Sept. 30 total resources of $643,042,783 and total deposits of $598,738,663, compared with $612,719,718 and $568,609,035, respectively, on June 30. Cash on hand, in Federal Reserve and other banks, including exchanges, collections and other cash items, are given as $163,731,149, against $197,250,443 three months ago; United States Government obligations (direct and guaranteed) amount to $294,100,481, as compared with $265,284,302; and loans, discounts and bankers' acceptances are shown as $146,399,507, against $115,320,558. The bank's capital and surplus are unchanged at $12,500,000 and $25,000,000, but undivided profits amount to $3,995,354, as compared with $3,750,513 at the end of June.

The Corn Exchange Bank Trust Co., New York City, in its condensed statement at the close of business Sept. 30, reports total resources of $479,081,326 and total deposits of $442,435,437, compared with $456,895,341 and $418,238,800 respectively, on June 30. Cash items amount to $132,102,437, against $140,440,229; U. S. Government securities, less reserve, are reported at $241,546,029, compared with $214,745,115; loans and discounts, less reserve, are $37,175,853, against $28,714,618. Capital of the bank is unchanged at $15,000,000 but surplus and undivided profits now stand at $20,807,234, compared with $20,675,749.

According to the Sept. 30, 1942, statement of condition of the Public National Bank and Trust Co. of New York total resources amount to $226,029,912 and deposits are reported at $204,338,012. This compares with resources of $211,542,664 and deposits of $190,084,095 on June 30, 1942. Cash and due from banks in the current statement are given as $57,410,612, against $60,920,992; loans and discounts are shown as $79,329,056, compared wtih $82,312,270, and U. S. Government obligations stand at $74,654,707, against $56,207,501. Capital and surplus are unchanged at $7,000,000 each and undivided profits are now $4,466,523, as compared with $4,322,863 at the end of June.

The Sept. 30 statement of The Continental Bank & Trust Company of the New York shows that total deposits increased to $85,830,735 and total resources rose to $95,970,880 from $77,534,721 and $90,455,515 respectively on June 30. Loans and discounts of $36,292,866 Sept. 30 compared with $36,595,245 on June 30; cash and due from banks amounted to $27,311,115 against $27,116,756; and U. S. Government obligations increased to $15,734,419 from $12,283,169 on June 30. Capital remains unchanged at $4,000,000 and surplus and undivided profits increased to $4,664,323 from $4,616,698 on June 30.

Sterling National Bank & Trust Company of New York in its statement of condition as of Sept. 30, 1942 reports a record all-time high in total resources and deposits. For the third quarter, total resources are $51,573,559, as compared with $48,507,689 on June 30, 1942; and deposits $46,255,914, up from $43,116,901. Capital, surplus and undivided profits totaled at the latest date $4,051,301, as against $4,039,700 on June 30; and reserves increased to $790,080 from $712,080. Cash and due from banks aggregated $13,850,919, on Sept. 30, as compared with the previous quarter's figure of $17,141,636. Holdings of U. S. Government securities were $10,598,826, against $7,441,804 on June 30; while State, municipal and corporate securities amounted to $1,533,266, as compared with $823,914. Loans and discounts were reported at $24,964,054 as compared with the June 30 figure of $22,272,965.

J. Henry Schroder Banking Corporation reports total resources of $48,718,622 as of Sept. 30, 1942, against $48,312,315 on June 30. Cash and due from banks was $11,203,068 against $10,265,547. U. S. Government securities were $22,429,452 against $22,084,692; customers' liability on acceptances (less anticipations) $6,067,631, compared with $6,463,819 in June. Surplus and undivided profits were $2,601,543 against $2,594,706 in the June quarter; amount due to customers was $33,653,261 against $33,176,231. Acceptances outstanding were $6,800,860 against $6,978,144.

Schroder Trust Company reported Sept. 30 resources of $27,321,378 compared with $26,722,771 in June; cash and due from banks, $6,686,683 against $6,543,127; U. S. Government securities $12,850,163 against $12,054,792; loans and discounts, $4,550,074 against $4,387,578. Surplus and undivided profits were $1,866,679 against $1,861,758. Deposits were $23,795,008 against $23,210,816.

In its statement of condition of Sept. 30, 1942, Fulton Trust Company of New York reports total resources of $31,530,482, compared with $32,175,119 on June 30, 1942; while total deposits aggregated $26,333,382 as against $26,966,691. Cash, U. S. Government securities and demand loans secured by collateral totaled $25,713,159 for the third quarter, against $26,134,659 for the previous quarter. State and municipal bonds were $1,808,437 on Sept. 30, compared with the June 30 totals of $1,982,025; time loans secured by collateral amounted $967,239 against $992,524. The undivided profits account, after provision for dividends in both cases, totaled $958,139 on Sept. 30, compared with $945,519 on June 30.

The quarterly statement of the County Trust Company of New York showing the condition of the Bank as of Sept. 30, discloses total deposits of $23,962,062 and total assets of $26,262,670. In a letter to the stockholders accompanying the 123rd consecutive dividend paid by the Bank, Andrew Wilson, Jr., the President, stated that while deposits of public funds are off somewhat, other demand deposits have increased substantially since June 30. Total deposits show a net increase of $952,194, as compared with the statement of a year ago.

Deposits of the Clinton Trust Company of New York, according to its statement of condition at Sept. 30, 1942, increased to $11,981,035 compared with $10,706,797 on June 30, 1942, and $9,875,183 on Sept. 30, 1941. Total assets of the bank increased to $13,211,912 at Sept. 30, 1942 from $12,068,360 on June 30 of this year and $11,004,830 a year ago. Surplus and undivided profits of the bank stood at $408,000 against $400,000 three months ago, and $379,953 on Sept. 30 of last year. Loans and discounts were $2,743,715 at Sept. 30 compared with $2,966,952 three months before, and $2,943,370 a year ago. Other asset items compare as follows with the figures for three months ago and a year ago: cash on hand and due from banks $3,764,417 against $3,433.231 and $3,500,366; investments in bonds $6,156,581 against $4,955,761 and $4,081,969. Capital stock of the Clinton Trust Company remained at $600,000, while capital notes stood at $50,000, compared with the same amount on June 30 and with $75,000 on Sept. 30, 1941.

Central Savings Bank of New York announced on Oct. 1 the retirement of William M. Bernard, Vice-President and Trustee. Mr. Bernard joined the Bank in 1912, after many years as a member of the firm of Porter & Company, realtors.

The statement of condition of the Brooklyn Trust Company as of Sept. 30, shows total deposits of $142,522,833, comparing with $138,005,647 on June 30 last. Total resources are now $158,212,815 against $153,761,841, at the earlier date. Cash on hand and due from banks on Sept. 30 stands at $44,392,983 against $44,813,636 three months ago, while holdings of United States Government securities are $67,849,838 compared with $64,045,735. Total loans and discounts on Sept. 30 were $27,058,567 against $28,114,761 on June 30. Surplus shows an addition of $25,000, being $4,650,000 against $4,625,000 on June 30. Undivided profits were $1,423,163, contrasting with $1,424,913. Capital is unchanged.

Directors of the Flushing National Bank of Flushing, New York, have elected Lester Mendell to the directorate of the bank. Mr. Mendell will be an active member of the Executive Committee, which among other duties, shapes the bank's loan policies. Since his discharge from the U. S. Navy in World War I, Mr. Mendell has been active in the lumber industry. After a number of years in the lumber manufacturing business, he formed Lester Mendell Co., wholesale lumber merchants, with headquarters in New York City.

The Philadelphia National Bank, Philadelphia, reports in its Sept. 30, 1942, statement total deposits of $619,603,077 and total assets of $675,268,197, compared with $715,427,266 and $660,089,341, respectively, on June 30 last. Cash and due from banks on Sept. 30 amounted to $193,155,800, against $307,225,559; holdings of U. S. Government securities amount to $330,891,778, compared with $253,334,072; and loans and discounts to $85,684,084, against $91,187,776. Capital stock is unchanged at $14,000,000, while surplus and net profits amount to $33,185,464, compared with $32,789,009 at the end of last June.

E. S. Wooley, certified public accountant, bank consultant and analyst, was elected Vice-President and Comptroller of the First National Bank in Palm Beach, Fla. at the Director's meeting held on Sept. 30. Mr. Wooley has specialized in banking operation and methods, and is widely known in banking circles. During the past 14 years he has served more than 500 banks in this capacity. Two books on banking subjects have been published by Mr. Wooley, "How to Obtain Bank Costs" and "Bank Management Control," as well as numerous articles written for "Banking," journal of American Bankers Association, and other banking publications. E. James Knight, accountant, was elected Assistant Vice-President in the Trust Department of the bank. Mr. Knight's bank training was with the Westminster Bank, in London, England, when he received a diploma in Trust Accounting from the University of London, and for the past several years was in charge of the Palm Beach office of the accounting firm of Pentland, Purvis, Keller & Milton, Miami, before joining the bank staff. Amos E. Jackson, formerly with the bank, was called to Charlotte. N. C. to fill a post with the U. S. Rubber Agency.